"I find out a lot of what confines public schools period...is they are all boxed in by state laws that don't take consideration to how certain things affect us," he said. "From funding to property taxes to education and curriculum and how important it is to make sure it's steady, consistent."

In other areas, Mr. Cole said he wants to alleviate property tax burdens and create more opportunities for mixed income housing.

"I think there are any number of ways we can look at funding public education that doesn't solely fall on the backs of property owners, particularly in poor communities," he said. "I think we can do some income tax sharing. ... I think there are some win-wins. We just have to turn over some stones."

Ms. Crawley said she's the candidate voters should turn to if they seek experience thanks to a career and life experience span the spectrum from nonprofit to for-profit, military and civilian.

"I've had a commitment to being of service to others," she said. "If you look at my career either professionally or in volunteerism...I have always had a commitment to making a different in the communities in which I lived and making a difference especially for individuals who come from poverty or low-income families."

Mr. Cole and his wife Lee have three children, ages 21, 15 and 14. He is a substitute social studies teacher who enjoys motorcycles and muscle cars.

In addition to spending time with her daughters, Ms. Crawley said she collects books, particularly of the professional development variety or autobiographies.

**Subscribers Note:** This story is part of a series focusing on key primary races for Ohio legislative seats. See Gongwer's Election Page for more information on 2018 contests, including our Key Races.

### OPA: Pharmacists Can Serve As Educators In Opioid Struggle

From asking customers to question potentially counterfeit pills to teaching them how to dissolve old medication in cat litter or coffee grounds, Ohio's pharmacists have a key role in fighting the state's opioid epidemic.

That was the message from officials with the Ohio Pharmacists Association to the nearly 1,000 pharmacists and students who attended the group's 140<sup>th</sup> annual conference and trade show Friday at the Greater Columbus Convention Center.

Ernie Boyd, executive director of the OPA, said pharmacists and the public need to "keep the pressure on" to get patients to request other medications and medical professionals to write fewer prescriptions for opioids.

Mr. Boyd said over-the-counter drugs can be a fine alternative to prescription opiates. He said he thinks it was a "major mistake" to allow ibuprofen and other anti-inflammatory or pain-relief medication to be sold without a prescription.

"In the public's mind, (ibuprofen) is as innocuous as cheese or rutabaga because it's sold next to those products," he said. "I think that's insane. These are very potent drugs."

The public tends to believe prescription drugs inherently are more effective and overthe-counter drugs safer, Mr. Boyd said, adding that's not always the case.

The convention included a demonstration of multiple ways people can dispose of old or unneeded medication, from using specialty kits to mixing it with water and coffee grounds or cat litter to make it unpalatable to animals and children. Mr. Boyd said pharmacists can explain the importance and methods of disposal and serve on local drug task forces to assist in the opiate fight.

The group also advised pharmacists to explain the importance of avoiding medication from potentially dubious sources, whether it be an acquaintance or an online retailer.

"The large majority of internet sites are (fraudulent)," Mr. Boyd said. "Ninety-eight percent of the online pharmacies are not pharmacies at all. They're fake."

He said counterfeit pills may look virtually indistinguishable from pills produced by the actual manufacturer and could include powerful opioids such as fentanyl and carfentanil. The consequences of consuming the bootleg drugs range from addiction to death.

Dr. Michael Ybarra, deputy vice president of advocacy and strategic alliances at PhRMA, said the public needs to get medicine from a trustworthy source. He said buying from "rogue online pharmacies" can be a dangerous move.

"The safest thing to do is to buy at a pharmacy," he said. "The U.S. distribution system is totally closed (with) FDA inspected facilities."

Mr. Boyd said there are some legitimate online pharmacy sites, which typically feature the National Association of Boards of Pharmacy's Verified Internet Pharmacy Practice Sites logo and have a pharmacy domain names.

The most important advice for members of the public, Mr. Boyd said, might simply be to stop using medication that was not prescribed to them.

"You just don't share any of the stuff, period," he said."

Medical Pot Program Halt Rejected; Complaint Against DeWine Dismissed; No New Trial For Beck; Buckeye Institute Weighs In On Case... A Franklin County judge on Friday declined to put the state's medical marijuana program on hold.

Instead, Franklin County Common Pleas Court Judge Richard Frye will consider the matter again at a May 11 hearing.

"We're pleased that there's been a decision not to pause the program," said Thomas Rosenberger, a spokesman for the National Cannabis Industry Association of Ohio.

The Friday hearing was a result of a lawsuit filed by Ohio Releaf LLC, which was denied a cultivator's license and subsequently sued the Department of Commerce for what it alleges is a failure to comply with public record laws and to hold a timely administrative appeal hearing.

DOC has hired an independent auditor to review its processes. (See separate story)

**Dismissed Complaint:** A three-judge panel has dismissed one of four counts of allegedly violating canons of the Ohio Judicial Code of Conduct filed against Ohio Supreme Court Justice Patrick DeWine.

The count alleges that Justice DeWine asked Hamilton County Prosecutor Joe Deters, who had 48 cases pending before the court at the time the complaint was filed, to hire his son for an internship.

The remaining allegations involve Justice DeWine's father, Attorney General Mike DeWine. The complaint alleges Justice DeWine improperly failed to recuse himself from cases in which AG DeWine is named as a party and that he appears on his father's gubernatorial campaign web site.

Justice DeWine has denied all of the alleged charges.

**New Trial:** The nation's highest court has declined to order a new trial for a former state lawmaker.

The U.S. Supreme Court declined to grant the request of former Rep. Peter Beck for a new trial. The decision was issued without comment.

Mr. Beck in 2015 was found guilty of 13 charges and sentenced to serve four years in prison. However, a state appellate court in 2016 overturned 10 charges and Mr. Beck served just 16 months in prison.

Amicus Brief: The Buckeye Institute has filed an amicus brief with the Sixth Circuit Court of Appeals asking it to strike down a Tennessee law it says discriminates against outdoor advertisements and signs with ideological messages.

The group said the law, which is designed to be in compliance with the Highway Beautification Act of 1965, is a violation of the First Amendment.

"While we all enjoy a scenic drive and beautiful roadways, the First Amendment is even more precious to Americans and its protections must not be violated in the name of highway beautification," President and CEO Robert Alt said in a statement. "Restricting the placement of outdoor advertisements solely based on the sign's message is a clear infringement of free speech and must be overturned."

**Crew Dispute:** Major League Soccer and the Precourt Sport Ventures, owner of the Columbus Crew, have asked the Franklin County Court of Common Pleas to dismiss a lawsuit designed to prevent the team from moving to Texas.

In a motion to dismiss, the groups call the Art Modell law "blatantly unconstitutional."

"The statute violates the dormant Commerce Clause of the United States Constitution because it both discriminates against out-of-state residents and impermissibly interferes with the defendants" abilities to conduct their business in interstate commerce," the filling reads.

The law requires the owner of an Ohio professional sports team that plans to cease playing most of its home games in the state to provide six months' notice in order to give others an opportunity to purchase the franchise

**Disciplinary Cases:** The Board of Professional Conduct on Friday announced that is has filed 10 disciplinary case reports with the high court.

# Issue 1 Backers Tout Endorsements; Cordray Takes Credit For Wells Fargo Fine; Yuko Calls For Action On Guns...

The bipartisan Coalition for Redistricting Reform, the group backing Issue 1, on Friday announced a slew of endorsements for the ballot measure.

The endorsements include the Ohio AFL-CIO, the Ohio Chamber of Commerce, the Ohio Council of Churches, the Ohio Education Association, the Ohio Environmental Council, the Ohio Farm Bureau and the NAACP Ohio Chapter.

Campaign advisor Keary McCarthy in a statement said the endorsements "truly signal the bipartisan nature of fixing the way we draw our congressional districts in Ohio."

"Our state lawmakers stepped up to make this bipartisan fix to a very partisan problem a reality, and I'm thrilled to see these powerful groups across Ohio come aboard," he added.

**Wells Fargo:** Richard Cordray on Friday weighed in on the news that the Consumer Financial Protection Bureau fined Wells Fargo \$1 billion.

The bureau's former director in a statement sought to downplay the role that acting Director Mick Mulvaney played in issuing the fine.

"Mulvaney has brought no new enforcement actions since he has been at the CFPB," he said. "Investigations that take many months or even years, and that are just now being finalized, are due to the aggressive work my team did to bring predatory behavior to light. To suggest this is the work of Mulvaney, who has done nothing but throw sticks in the spokes of a talented, hard-working CFPB team of devoted public servants is preposterous."

**Gun Legislation:** Senate Minority Leader Kenny Yuko (D-Richmond Hts.) used the anniversary of the Columbine school shooting to call for legislation to reduce gun violence.

Sen. Yuko in a statement commended students who on Friday walked out of school to mark the 19<sup>th</sup> anniversary of the school shooting.

"Our young people have sent us a clear message: we need to act now to protect them. The Senate Democratic Caucus has introduced numerous common-sense proposals to address gun violence and help keep our kids safe. Many of these bills have yet to receive a hearing," he said.

"As a leader in the Ohio Senate, I know we have to do more to stop violence in our schools. Schools should be places where children worry about upcoming math tests, and not about active shooters."

**Gun Rally:** Three gun rights groups on Saturday will hold a "Patriot Day Rally" at the Statehouse.

The 11 a.m. event hosted by Ohioans for Concealed Carry, Ohio Carry and the Buckeye Firearms Association will feature historical information on the role of private gun ownership in the country's founding and immigrants who will talk about their experiences before and after coming to America, according to a release.

**NFIB Endorsement:** Rep. Larry Householder (R-Glenford), a speaker hopeful, has the backing of National Federation of Independent Business/Ohio in his reelection bid, the group announced Friday.

Roger Geiger in a statement said Rep. Householder "understands the issues important to Ohio entrepreneurs as demonstrated by his strong voting record with NFIB."

# Sheehy Calls For Further Action On Ag Runoff; OEC Proposes Toxic Chemical Protections

Rep. Michael Sheehy (D-Oregon) criticized state leaders this week after a recent report showed more work is needed to curb the runoff of phosphorus and other nutrients into Ohio's waterways.

His remarks were centered on the Ohio Environmental Protection Agency's Nutrient Mass Balance Study. The report found "no clear decrease" in nutrient loading, especially from nonpoint sources like agricultural runoff. (See Gongwer Ohio Report, April 17, 2018)

Rep. Sheehy in a statement singled out farmers for their role in contributing to runoff that can fuel harmful algal blooms in Lake Erie.

"This new report shows that despite years of deceptive talking points from powerful industry representatives in Columbus, we know where all this excess phosphorus pollution has been coming from," Rep. Sheehy said.

"It's not complicated: if you are causing nearly 90% of a problem, you should participate in searching for a solution," he continued. "Instead, their lobbyists have prioritized fighting against policy solutions and even shifting the blame to urban centers that suffer the worst of these consequences."

The Ohio Farm Bureau previously said the report shows that agriculture must play a role in improving water quality. But a spokesman said new regulations aren't needed in the group's view.

**Chemicals:** The Ohio Environmental Council is requesting the U.S. Environmental Protection Agency crack down on toxic chemicals.

The request comes in the form of a petition for rulemaking filed by the council seeking new protections again carcinogen perfluorocctanoic acid and other substances that can be pumped into water and air by manufactures.

"These companies need to stop emitting these chemicals before extensively studying them, and our proposed rules would stop this dangerous practice," said Chris Tavenor, an OEC law fellow.

Copies of the request were also submitted to President Donald Trump, Gov. John Kasich, Ohio EPA Director Craig Butler, Attorney General Mike DeWine and members of Ohio's congressional delegation.

# Ohio Lands \$26 Million In Federal Opioid Funding; Senators Applaud Disaster Request Approval...

For the second consecutive year, Ohio is poised to receive a \$26 million funding infusion to buoy efforts to combat the opioid epidemic.

The funding announced this week comes from the 21st Century CURES Act passed in 2016. It's part of \$485 million in grants to be divvied up among states this year. Ohio received a similar amount of dollars under the program last year during the first round of funding. (See Gongwer Ohio Report, April 20, 2017)

"This is good news for Ohio, and these new funds will help our efforts to combat the heroin and prescription drug epidemic gripping our state," U.S. Sen. Rob Portman (R-Terrace Park) said in a statement. "This is another positive step forward, but we must do more, and that's why I continue to push for common-sense solutions like the STOP Act and CARA 2.0 that will help us turn the tide of addiction in Ohio and around the country."

U.S. Sen. Sherrod Brown (D-Cleveland) likewise applauded word of the additional funding.

"For too long, Ohio communities have been desperate for the federal government to step up and provide the necessary resources to effectively combat the opioid epidemic," Sen. Brown said. "While we know there is more work to be done, this funding is a meaningful step forward for Ohio. It's important that the state work to get this funding out to local communities quickly as they continue to battle this epidemic."

The dollars are aimed at boosting evidence-based programs and are overseen by the U.S. Department of Health and Human Services.

**Emergency:** Sens. Brown and Portman also welcomed President Donald Trump's approval of Gov. John Kasich's request for disaster assistance following largescale flooding in February. (See Gongwer Ohio Report, April 17, 2018)

Sen. Brown said the declaration "will go a long way in helping reassure Ohio communities impacted by last month's devastating floods that they are not alone."

Sen. Portman said, "It will allow our affected communities to get much-needed federal assistance following this winter's terrible storms."

**Wright-Patterson:** Ohio delegates urged the Pentagon to pick the Dayton-area Air Force base to house the F-35 Hybrid Product Support Integrator Organization.

Wright-Patterson is "uniquely qualified" to handle that role, which could mean an additional 400 jobs, all of Ohio's senators and representatives wrote to Secretary of the Air Force Heather Wilson.

"Based on the criteria used during the strategic basing process, we believe WPAFB's workforce makes the base the logical location for HPSI," the lawmakers wrote. "The basing process specifically requires acquisition professionals who are Defense Acquisition Workforce Improvement Act certified with tactical fighter support experience, and WPAFB's workforce of engineers, programs managers, logistics managers, and contracting personnel would provide HPSI with an exceptional staff."

Chamber Of Commerce Endorses Issue 1; P&G, Key, More Report Financial Results; Toledo Businesswoman Added To SBAC

The Ohio Chamber of Commerce has thrown its support behind a ballot issue aimed at reforming the state's redistricting guidelines.

The group's board of directors earlier this week voted to support Issue 1.

"The Ohio Chamber has long recognized the need for sensible changes to the redistricting process and we are pleased to join the bipartisan coalition supporting State Issue 1," President & CEO Andrew E. Doehrel said in a statement. "Job creators know the value of a fair and competitive playing field in the marketplace, and State Issue 1 will bring this element of necessary, healthy competition to congressional campaigns, as well."

Mr. Doehrel said the group twice in the past 15 years opposed redistricting efforts that "did not represent a consensus approach."

**Procter & Gamble**: The Cincinnati-based company saw net sales of \$16.3 billion in the third quarter, up by 4% from the previous year.

Organic sales increased 1% for the quarter ended March 31, P&G reported. Diluted net earnings per share were \$0.95, an increase of 2%.

Operating cash flow was \$3.4 billion for the quarter, while adjusted free cash flow productivity was 95%, according to the company.

P&G returned \$3.2 billion to shareholders via \$1.8 billion of dividend payments and \$1.4 billion of common stock repurchase.

"We delivered modest top- and bottom-line growth in a challenging macro environment in the third quarter," Chairman, President and CEO David Taylor said in a statement. "We have large businesses in several difficult markets. The ecosystems in which we operate around the world are being disrupted and transformed. We will change at an even faster rate -- winning through superiority, cost and cash productivity and a strengthened organization and culture."

**KeyCorp**: The Cleveland-based company reported. \$402 million in net income, or \$0.38 per common share, in the first quarter.

The financial services company reported net income of \$296 million over the same period in the previous year.

"First quarter was a good start to the year, with continuing momentum in our core businesses, as we grew and expanded relationships with our targeted clients," Chairman and CEO Beth Mooney said in a statement. "Revenue increased over 3% from the same period last year, driven by a higher net interest income, solid loan growth and stronger fee income."

**First Financial**: The Cincinnati-based bank reported net income of \$30.5 million, or \$0.49 per diluted common share, in the first quarter.

First financial reported net income of \$24.8 million, or \$0.40 per diluted common share, in the previous quarter.

"We are extremely pleased with our strong first quarter performance, representing our 110th consecutive quarter of profitability and top-quartile level returns," Executive Chairman Claude Davis said in a statement. "We are also excited about our recent merger with MainSource which closed on April 1st. We welcome our new colleagues from MainSource and together look forward to building an even stronger company going forward."

**SBAC**: Lt. Gov. Mary Taylor has appointed Jennifer Zalecki to the Small Business Advisory Council.

Ms. Zalecki serves as president and CEO of Toledo-based Battery Wholesale. The company, which Ms. Zalecki's father founded in 1983, operates seven retail stores in the greater Toledo area.

"Jennifer has been an effective small business advocate through her service to the Toledo Regional Chamber of Commerce and has demonstrated her high business acumen through the success of her own company," Lt. Gov. Taylor said.

#### Governor's Appointments

Ohio Thoroughbred Race Fund Advisory Council: Kimpton E. Williams of Waynesville for a term beginning April 20, 2018, and ending January 31, 2021.

State Board of Emergency Medical, Fire, and Transportation Services: Capt. Kevin T. Uhl of Sycamore Township for a term beginning April 20, 2018, and ending November 12, 2019.

**Public Benefits Advisory Board:** Dasmine Wright of Columbus for a term beginning April 20, 2018, and ending June 30, 2018.

## Supplemental Agency Calendar

Monday, April 23

Human Trafficking Commission, 18th Fl., 150 E. Gay St., Columbus, 2 p.m. Friday, April 27

Accountancy Board, 77 S. High St., Conference Room West B & C, 31st Floor, Columbus, 10 a.m.

17 S. High St., Suite 630 Columbus Ohio 43215

Phone: 614-221-1992 | Fax: 614-221-7844 | Email: gongwer@gongwer-oh.com

Scott Miller, President | Kent Cahlander, Editor | Mike Livingston, Dustin Ensinger, Jon Reed, Tom Gallick, Staff Writers

Click the Fafter a bill number to create a saved search and email alert for that bill.

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## **Event Planner**

#### Saturday, April 21

YMCA Youth & Government High School State Assembly 2, Statehouse, Columbus

#### Tuesday, April 24

OAHU Annual Day at the Statehouse, Sheraton Columbus Hotel at Capitol Square, 75 East State Street, Columbus

Rep. Andy Brenner (R-Powell) fundraiser, Athletic Club of Columbus - Parlor A/B, 136 E. Broad Street, Columbus, 11:30 a.m., (Sponsor: \$1,000 | Host: \$500 | Guest: \$350 to Brenner for Ohio)

Sen. Matt Huffman (R-Lima) & Sen. John Eklund (R-Chardon) fundraiser, Pins, 141 N. 4th Street, Columbus, 5 p.m., (Sponsor: \$1,000 | Host: \$500 | Guest: \$350 to Matt Huffman for Ohio and/or Friends of John Eklund)

House Speaker Cliff Rosenberger (R-Clarksville) fundraiser, Club 185, 185 E. Livingston Ave., Columbus, 5 p.m., (Chair: \$3,700; Sponsor: \$1,370 to Committee to Elect Cliff Rosenberger)

Ohio Chemistry Technology Council's 30th Annual Legislative Reception, Renaissance Columbus Downtown Hotel, 50 North Third Street, Columbus, 5:30 p.m.

Ohio Aggregates and Industrial Minerals Association 20th Annual Legislative Reception, Statehouse Atrium, Columbus, 5:30 p.m.

#### Wednesday, April 25

American Heart Association/American Stroke Association Advocacy Day, Riffe Center, 77 S. High St., Davidson Theatre, Columbus Sen. Bill Beagle (R-Tipp City) and Sen. Peggy Lehner (R-Kettering) fundraiser, Pins, 141 N. 4th Street, Columbus, 5 p.m., (Sponsor: \$1,000 | Host: \$500 | Guest: \$350 to Citizens for Bill Beagle and/or Citizens for Lehner) Sen. Scott Oelslager (R-N. Canton) & Sen. Frank Hoagland (R-Adena) fundraiser, Athletic Club of Columbus - 136 E. Broad Street, Columbus, 5 p.m., (Checks to Oelslager for Ohio Committee and/or Hoagland for Ohio) Rep. Jim Hughes (R-Columbus) fundraiser, Valters at the Mannerchor, 976 S. High St., Columbus, 5:30 p.m., (Host: \$1,000, Sponsor: \$500; Patron: \$250, Individual: \$75 to Committee for Jim Hughes)

## Thursday, April 26

Deadline to file pre-primary campaign finance reports Rep. Glenn Holmes (D-McDonald) fundraiser, Vernon's Italian Ristorante, 720 Youngstown-Warren Road, Niles, 5 p.m., (Event Sponsor \$1500, Supporter \$1000, Friend \$500, Table Sponsor \$300, Individual \$60 to Committee to Elect Glenn Holmes)

Rep. Nathan Manning (R-N. Ridgeville) fundraiser, Berry's Restaurant, 15 W. Main Street, Norwalk, 5 p.m., (Sponsor: \$250 to Nathan Manning for Ohio)
Rep. Anne Gonzales (R-Westerville) fundraiser, Aloft Columbus Westerville, 32
Heatherdown Drive, Westerville, 5:30 p.m., (Sponsor: \$1,000 | Host: \$500 | Guest: \$250 to Citizens for Anne Gonzales)

Rep. Hearcel Craig (D-Columbus) fundraiser, The Lincoln Caf 740 E. Long St., Columbus, 5:30 p.m., (\$250, \$100, \$50, \$25 to Friends of Hearcel F. Craig)

#### Tuesday, May 1

Lobbyists/Employers can begin filing January-April 2018 Activity & Expenditure Reports

Wednesday, May 2

**Pro-life Legislative Day** 

Thursday, May 3

Rep. Kristina Roegner (R-Hudson) fundraiser, Portage Country Club, 240 N. Portage Path, Akron, 5:30 p.m., (Chair: \$5,000 | Sponsor: \$2,500 | Host: \$1,000 | Guest: \$250 to Kristina Daley Roegner for Ohio)

Tuesday, May 8

Primary election day

Thursday, May 10

YMCA Youth & Government Model United Nations, Statehouse, Columbus

Friday, May 11

YMCA Youth & Government Model United Nations, Statehouse, Columbus

Saturday, May 12

YMCA Youth & Government Model United Nations, Statehouse, Columbus

Tuesday, May 15

Deadline for most public officials and employees to file personal financial disclosure statements.

Ohio Association of Health Plans Annual Legislative Reception, Statehouse Rotunda, Columbus, 5 p.m., (Please RSVP to Stacy Bewley at sbewley@oahp.org or for any questions call (614) 228-4662.)

Rep. John Rogers (D-Mentor-on-the-Lake) & Rep. John Patterson (D-Jefferson) fundraiser, Club 185, 185 E. Livingston Ave., Columbus, 5:30 p.m., (Sponsor Levels: Sponsor \$1,000, Host \$500, Friend \$350 to Friends of Rogers and Committee to Elect John Patterson. RSVP with Jenna Gravalis at 551-429-9895 or jgravalis@ohiodems.org)

#### Wednesday, May 16

Ohio Auctioneers Association legislative day

Rep. Michele Lepore-Hagan (D-Youngstown) fundraiser, Einstein Bros. Bagels, 41 S. High Street, Columbus, 8 a.m., (Sponsor \$1,000, Host \$500, Friend \$350 to Michele Lepore-Hagan for State Representative)

2018 Arts Day & Governor's Awards for the Arts in Ohio Luncheon, The Columbus Athenaeum, 32 North Fourth Street, Columbus, 12 p.m.

#### Tuesday, May 22

Ohio Cable Telecommunications Association Legislative Reception & Technology Demo, 77 S. High St., Capitol Theater Lobby, Columbus, 5 p.m. Rep. David Leland (D-Columbus) fundraiser, Market 65, 65 East State Street, Columbus, 5:30 p.m., (Guest - \$250; Host - \$500; Sponsor - \$1,000; Gold Sponsor-\$2,500 to Friends of David Leland)

#### Wednesday, May 23

Rep. Kent Smith (D-Euclid) fundraiser, Einstein Bros. Bagels, 41 S. High Street, Columbus, 8 a.m., (Sponsor \$1,000, Host \$500, Friend \$350 to Kent Smith Committee)

Rep. John Becker (R-Union Township) fundraiser, Ringside, 19 N. Pearl St., Columbus, 11:30 a.m., (Host: \$1000; Sponsor:\$500; Host:\$350 to Friends of Becker)

Rep. Doug Green (R-Mt. Orab) fundraiser, OHROC, 21 W Broad St. 7th Floor, Columbus, 4:30 p.m., (Host: \$1000; Sponsor: \$500; Host: \$350 to Committee to Elect Doug Green)

#### Thursday, May 24

Rep. Rick Perales (R-Beavercreek) golf outing fundraiser

#### Thursday, May 31

JLEC Deadline for filing January-April 2018 Activity & Expenditure Reports

#### Friday, June 1

Sen. Gayle Manning (R-N. Ridgeville) & Rep. Nathan Manning (R-N. Ridgeville) golf outing fundraiser, Bob-O-Link Golf Course, 4141 Center Road (Rt. 83), Avon, 9:30 a.m., (9:30am Registration | 10:30am Shotgun Start | 3:30pm Appetizers and Awards; , Avon, Ohio 44011 Eagle Sponsor: \$1,500 | Birdie Sponsor: \$750 |

Foursome: \$400 | Hole Sponsor: \$200 | Individual Golfer: \$125 to Committee to Elect Gayle Manning and/or Nathan Manning for Ohio)

#### Monday, June 4

Sen. Bob Peterson (R-Sabina) golf outing fundraiser, Crown Hill Golf Club, 9500 U.S. 22, Williamsport, 12 p.m., (12:00pm Lunch | 12:30pm Shotgun Start | 5:00pm Dinner. Tournament Sponsor \$2,000 | Eagle Sponsor: \$1,000 | Birdie Sponsor: \$500 | Hole Sponsor: \$200 | Individual Golfer: \$100 | Dinner Only: \$50 to Peterson for Good Government)

#### Friday, June 8

House Speaker Cliff Rosenberger (R-Clarksville) golf outing fundraiser

#### Monday, June 11

Rep. Scott Ryan (R-Newark) golf outing fundraiser Ohio's 2018 Opiate Conference: Strengthening Ohio's Communities, Hyatt Regency, 350 N. High St., Columbus

#### Tuesday, June 12

Ohio's 2018 Opiate Conference: Strengthening Ohio's Communities, Hyatt Regency, 350 N. High St., Columbus

#### Friday, June 15

Deadline to file post-primary campaign finance reports

#### Monday, June 18

Sen. President Larry Obhof (R-Medina) golf outing fundraiser

#### Monday, June 25

Rep. Brian Hill (R-Zanesville) golf outing fundraiser Ohio Cable Telecommunications Association Golf Outing, The Lakes, 6740 Worthington Rd., Westerville

#### Monday, July 16

Rep. Bill Reineke (R-Tiffin) golf outing fundraiser

#### Thursday, July 19

Sen. Matt Dolan (R-Chagrin Falls) Batter Up fundraiser

#### Friday, July 20

Sunday,	July 22
YMCA You	uth & Government Leaders Training School, Statehouse, Columbu
Monday,	July 23
YMCA You	uth & Government Leaders Training School, Statehouse, Columbu
Tuesday	, July 24
YMCA You	uth & Government Leaders Training School, Statehouse, Columbu
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	uth & Government Leaders Training School, Statehouse, Columbu McColley (R-Napoleon) golf outing fundraiser
Thursda	y, July 26
Rep. Craic YMCA Yo	g Riedel (R-Defiance) golf outing fundraiser uth & Government Leaders Training School, Statehouse, Columbu
Friday, J	uly 27
YMCA Yo	uth & Government Leaders Training School, Statehouse, Columbu
Tuesday	, July 31
Deadline	to file semi-annual campaign finance reports
Friday, A	lugust 3
Deadline	for statewide candidates to file July campaign finance reports
Tuesday	, August 7
Special el	ection for 12th Congressional District seat
Thursda	v. August 16
Sen. Bob	Hackett (R-London) golf outing fundraiser
Monday,	August 20 ra Lanese (R-Grove City) golf outing fundraiser

namilton County GOP State Legislative golf outing fundraliser
Saturday, September 1
obbyists/Employers can begin filing May-August 2018 Activity & Expenditure Reports
Thursday, September 6
Deadline for statewide candidates to file August campaign finance reports
Monday, October 1
LEC Deadline for filing May-August 2018 Activity & Expenditure Report
Wednesday, October 3
Deadline for statewide candidates to file September campaign finance reports
Thursday, October 25
Deadline to file pre-general campaign finance reports
Tuesday, November 6
General election day
Saturday, December 1
obbyists can begin renewing Legislative, Executive and Retirement System egistrations for 2019
Friday, December 14
Deadline to file post-general campaign finance reports
Monday, December 31
All 2018 Legislative, Executive and Retirement System lobbying registrations expire in OLAC
Thursday, January 31
Deadline to 2018 annual campaign finance reports
Positing to 2018 annual campaign finance reports

Scott Miller, President | Kent Cahlander, Editor | Mike Livingston, Dustin Ensinger, Jon Reed, Tom Gallick, Staff Writers

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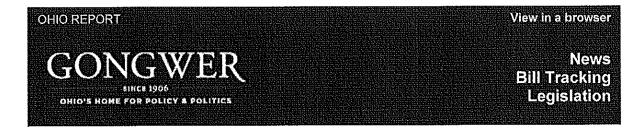
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YKINTEKITAN MARIHARI MARIHARI

# OHIO REPORT FRIDAY, APRIL 20

Energy Standards Bill Timeline Unclear As Another Wind Setback Proposal Is Introduced

State Unemployment Drops To Lowest Level In More Than 16 Years

Senator Backing Medical Marijuana Audit Bill Supports Review By Commerce Department

High Court To Hear Traffic Camera Case

Candidates Stress Experience In House District 26 Primary

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Chamber Of Commerce Endorses Issue 1; P&G, Key, More Report Financial Results; Toledo Businesswoman Added To SBAC

**Governor's Appointments** 

Supplemental Agency Calendar

## **CALENDARS**

**Day Planner** 

**Event Planner** 

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## Daily Activity Planner for Saturday, April 21-Monday, April 23

## Legislative Committees

No legislative committees scheduled.

## Agency Calendar

Monday, April 23

Controlling Board, North Hearing Rm., Senate Bldg., Columbus, 1:30 p.m. Human Trafficking Commission, 18th Fl., 150 E. Gay St., Columbus, 2 p.m.

### **Event Planner**

Saturday, April 21

YMCA Youth & Government High School State Assembly 2, Statehouse, Columbus

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# Volume #87, Report #77 -- Friday, April 20, 2018 Energy Standards Bill Timeline Unclear As Another Wind Setback Proposal Is Introduced

Senate President Larry Obhof this week referred to ongoing talks over the state's energy standards and wind turbine setback revisions as "a long-term project."

The remark lends further uncertainty to the timeline in which Senate Republicans hope to roll out a substitute bill on a measure (HB 114) that in its current form waters down the state's renewable and energy efficiency benchmarks.

Earlier this month, Sen. Obhof had predicted a sub bill could be ready "in the next few weeks." (See Gongwer Ohio Report, April 6, 2018)

But asked this week about the Senate's priorities in the coming weeks, Sen. Obhof (R-Medina) said: "We've talked a number of times about energy, and particularly 114 probably now is a long-term project."

Sen. Obhof had previously labeled the measure a priority for the first part of the year but the timeline has been pushed back at every juncture as lawmakers grappled with a congressional redistricting ballot issue (SJR 53), the capital budget (HB 5293) and other pressing proposals.

Sen. Bill Beagle (R-Tipp City) and Sen. Troy Balderson (R-Zanesville) are spearheading talks on that sub bill but have said the timeline and the extent of the changes to the legislation remain unclear. The caucus has yet to reach a consensus on the plan the senators presented behind closed doors last month. (See Gongwer Ohio Report, March 23, 2018)

Changes to loosen the state's setbacks for wind turbines are expected to be a component of the sub bill and advocates have continued pressing lawmakers in recent weeks to walk back restrictions put in place in a 2014. (See Gongwer Ohio Report, April 12, 2018)

Rep. Fred Strahorn (D-Dayton) on Tuesday introduced his own standalone measure to reduce setbacks (HB 604
). His plan joins several other legislative efforts to accomplish that feat, including proposals from Sen. Matt Dolan (SB 238) and Sen. Michael Skindell (SB 184).

The minority leader's proposal would require turbines to be no closer than 1,125 feet from the tip of a turbine to the exterior of the nearest habitable residential structure. Current law, in contrast, measures the distance from the structure's property line.

The measure would also make permanent tax exemptions for tangible personal property of a qualified energy project using renewable energy resources under certain conditions.

Trish Demeter, the Ohio Environmental Council's vice president of energy policy, welcomed the latest attempt.

"I applaud Leader Fred Strahorn for proposing HB604 - a bill which if passed, would pave the way for full scale wind development in Ohio," Ms. Demeter said.

"For too long, Ohioans have missed out on trends towards wind energy due to unnecessarily large setbacks from property lines. Fixing the wind setback issue is critical for further development of wind energy across the state, and bringing Ohio up to speed in the growing clean energy economy."

#### State Unemployment Drops To Lowest Level In More Than 16 Years

Ohio's unemployment rate dropped a notch to 4.4% in March, maintaining a positive trend of recent months and reflecting the best report since August 2001, according to the Department of Job and Family Services.

The March rate was a drop from 4.5% in February 2018, the agency reported. Total employment increased 10,800 over the month to 5,579,200, and the number of unemployed was down 9,000 to 253,000.

The unemployment total has dropped by 40,000 since March 2017, when the rate was 5.1%, and the state has seen an increased of 54,400 jobs during that period, according to state data compiled in conjunction with the federal Bureau of Labor Statistics.

"Another strong jobs report out today," Gov. John Kasich stated on his Twitter account. His statement was accompanied by a GIF of actor Chuck Norris giving a thumps-up.

"Since 2011, Ohioans have created 501,000 new private sector jobs, and unemployment is the best it's been since 2001," Mr. Kasich said. "We've come a long way since 2010. Let's keep it going, Ohio!"

Senate President Larry Obhof (R-Medina) said the number of new private jobs reflected an important milestone for the state. The positive news shows the GOP-run legislature's policies are working, he said.

"We work diligently to not only create an environment of possibilities for Ohio's job creators but also to ensure Ohioans from all backgrounds are prepared to take advantage of those opportunities," Sen. Obhof said in a release.

"We've done this through creating a jobs-friendly business environment, developing a jobs-ready workforce and empowering Ohio's small businesses, the backbone of our economy. While this is an important milestone that shows Ohio's policies are working, we have much more to do, and we will continue to build on this progress."

Despite the recent gains, Ohio still lags the nation, as the U.S. unemployment rate for March was 4.1%. That figure was unchanged from February and down from 4.5% in March 2017.

During a month when most sectors saw job gains, the best performers were the private service-providing sector, which added 5,700 positions, as well as trade, transportation, and utilities (+3,400). ODJFS noted the most significant losses in information (-700) and other services (-500).

Agency spokesman Bret Crow said eight industries or sub-sectors experienced recordhigh employment levels. They are: transportation, warehousing and utilities; finance and insurance; educational and health services; educational services; health care and social assistance; leisure and hospitality; accommodation and food services; and state government.

The March gains in the construction industry, which was up 1,200 jobs, represented the third consecutive month of steady job growth in the sector, which has gained 5,700 jobs over the last year, Mr. Crow said.

In addition, the state versus federal comparison on job growth favored Ohio, as the state added jobs at a rate that was more than double the national rate, or 0.19% versus 0.07%, he said. And the average weekly earnings for Ohioans is up \$3.14 compared to last month and \$28.45 compared to last year, both outperforming the national rate.

"It's an across-the-board positive report with lower unemployment and new job growth that doubled the nation's," Mr. Crow said.

Andrew J. Kidd, senior economist with the Economic Research Center at The Buckeye Institute, said the latest jobs report shows "Ohio's job market is allowing individuals who desire jobs to get jobs."

"However, Ohio has yet to reach the national unemployment rate of 4.1%, he added. "This, as well as a labor force participation rate lower than the national average, shows that Ohio still has work to do. The right reforms, such as closing tax loopholes and removing unnecessary barriers to employment through occupational licensing, would create opportunities for sustained job growth."

"Ohio in 2018 has experienced positive job growth. Yet, another month of an unchanged labor force participation rate once again implies that some individuals are still not searching for jobs," Mr. Kidd added.

Hannah Halbert, researcher with Policy Matters Ohio, said the state has gained more jobs in the first three months of 2018 than in all of 2017.

"While labor force participation suggests there is still room for improvement, Ohio's labor market is finally tightening," she said. "Even so, many jobs pay too little and offer too-few hours, making it nearly impossible to afford basics like food and health care without

public support. Raising the minimum wage, restoring the 40-hour work week, and supporting paid leave would make the most of this tighter labor market and help rebuild a path to the middle class."

Ms. Halbert said Ohio continues to underperform the nation's 12-month rate for job growth and has "vastly underperformed" the rest of the U.S. since the 2005 tax overhaul was enacted.

"Ohio is not out of the woods. A bad month or two could erase this streak and more months of solid growth are needed to take up the remaining slack in our labor market," she said.

# Senator Backing Medical Marijuana Audit Bill Supports Review By Commerce Department

A senator who sponsored legislation to require an audit of the medical marijuana licensing process said he's supportive of efforts by the Department of Commerce to perform its own review.

Sen. Bill Coley (R-Liberty Twp.) introduced a proposal (SB 264) in February to require a state auditor investigation of DOC's awarding of provisional licenses for medical marijuana growers, including a set timeframe for the review and the awarding of certificates of operation.

It was intended to remove any clouds of suspicion or impropriety from the licensing process, the sponsor said. (See Gongwer Ohio Report, February 22, 2018)

That measure had its first hearing this week in the Senate Health, Human Services & Medicaid Committee. (See Gongwer Ohio Report, April 17, 2018)

Since February, DOC and other agencies involved in the medical marijuana program have worked to tamp down expectations for the initiative's Sept. 8 go-live date, saying it's unlikely all license recipients will be operational by then. (See Gongwer Ohio Report, April 5, 2018)

The agency worked with an attorney general-appointed special counsel to hire a third-party auditor to review the scoring and find possible improvements. The department reported Friday that Ernst & Young was retained for the work, which does not have a set deadline for completion but is expected to take "a matter of weeks" to finish.

Sen. Coley complimented the department on that effort and said the goal of his legislation is simply to ensure the state has a fair process.

"You could easily argue that they're already doing those things," he said in an interview. "I want to make sure it gets done and it gets followed through."

He encouraged the department to work with the auditor's office to ensure the process is thoroughly reviewed.

"I support Commerce going through and looking at the whole thing, re-scoring if necessary and awarding additional licenses if warranted," he said. "I think that's all a good thing and it would be for the benefit of all patients and the state of Ohio."

Sen. Coley said he's confident the department will correct any issues.

"I think they realize that some mistakes were made and they want to correct them," he said.

DOC will go before the Controlling Board Monday to request more than \$5 million for staffing, legal costs and other expenses for the medical marijuana program. (See Gongwer Ohio Report, April 16, 2018)

#### High Court To Hear Traffic Camera Case

The battle over automated traffic cameras will continue next week with the latest front being the Ohio Supreme Court.

The city of Toledo and the state are at odds over a previous budget (HB64, 131<sup>st</sup> General Assembly) provision that allows the state to reduce Local Government Fund distributions for non-compliance with traffic camera restrictions (SB342, 130<sup>th</sup> General Assembly), some of which were struck down by the high court. (See Gongwer Ohio Report, July 26, 2017)

Ten days prior to the traffic camera restrictions becoming law, the city asked for and received an injunction from the Lucas County Common Pleas Court, the high court reported.

Lawmakers then passed the biennial budget containing the LGF reduction provisions. The city again asked for and received an injunction from the trial court, which found the state would be in contempt if it withheld funding from cities based on non-compliance with a law found to be unconstitutional.

The Sixth District Court of Appeals upheld the ruling, leading to the state appeal to the high court, where it argues the budget provision is a reporting requirement and a formula for discretionary spending. (Docket)

"Toledo has no 'home rule' right to receive money from the General Assembly," the state writes in a brief. "It is not 'losing' money that it has, but rather choosing to give up money in order to run its traffic-camera program as it sees fit."

The state also contends that the city should have been required to file a separate lawsuit in the matter and that the injunction is a violation of separation of powers.

"The Sixth District's holding invades the legislative power and exceeds the judicial power because courts do not have roving license to enjoin legislation," the state argues. "Courts must instead draw the power to block legislation from specific constitutional prohibitions."

The city, however, claims that lawmakers are seeking to coerce compliance with unconstitutional laws.

It also argues that the state is the guilty party when it comes to the violation of separation of powers.

"If the General Assembly could simply ignore the judicial branch any time legislation is struck by withholding funds to those entities that do not comply with the unconstitutional legislative acts, then there is no separation of powers because the legislature would reign supreme," the city writes in its brief.

"This type of legislation is not a 'new' law that merits a separate lawsuit and separate constitutional analysis, but moreover an affront to the authority of the judiciary. The Penalty Provisions try to avoid judicial control by reenacting unconstitutional laws."

The case is slated for oral arguments as another measure (HB 410a) authored by the primary sponsor of the 2014 law works its way through the General Assembly.

Rep. Bill Seitz's (R-Cincinnati) legislation would eliminate the use of administrative hearings when a civil citation is issued for a traffic violation recorded by a photomonitoring device and require local governments that use traffic-monitoring devices to annually file a report with the tax commissioner detailing how much revenue is generated from their use which will then be subtracted from the LGF distribution.

The court will hear three other cases next week:

- In State v. Dunson, a Montgomery County man convicted of murder and aggravated robbery will ask the justices to set aside \$6,199 in court costs.
- The court in East Manufacturing v. Testa will determine if a Portage County company is eligible for a use tax exemption for the purchase of natural gas it uses to heat six buildings where aluminum truck trailers are constructed.
- A bank will argue that despite federal rules requiring a face-to-face meeting with a borrower after three missed mortgage payments prior to proceeding with a foreclosure it should be allowed to move forward because the meeting occurred during court-ordered mediation after the second attempt to foreclose in the case of Wells Fargo Bank v. Burd.

Candidates Stress Experience In House District 26 Primary

A Columbus City School Board member and a law clerk with a background in youth advocacy each say their breadth of experience make them the ideal candidates for the 26<sup>th</sup> House District.

The Democrat-leaning district is currently represented by Rep. Hearcel Craig (D-Columbus), whose bid for the Senate is opening the path for a new face. Michael Cole, 45, and Erica Crawley, 37, are both working to secure the Democratic nomination, after which the victor will likely face Republican Shareeque Sadig in November.

Mr. Cole said he has a track record of "having gotten things done in the most tough circumstances" thanks to his two terms on the school board.

"It's one thing when the whole deck's lined up for you and you're accomplishing some things of the work and will of people," he said. "It's another to have every kind of almost insurmountable obstacle against you whether it's state, federal, local discontent for something and still move the needle of achievement."

Ms. Crawley, while touting her own experience, credits her desire to enter public office to her great aunt who in 2007, shortly before her death, asked her during a conversation on political leaders, "Why not you?"

"She was never elected, never interested in politics per se, but she gave her time," Ms. Crawley said. "She spent a lot of time with the church, with homeless families. She never met an enemy. People loved my aunt and she loved people. I would hope she would be proud of me if I could be half the woman she was and make the impact she made."

Mr. Cole is originally from Cleveland but first came to Columbus as a student at Ohio State University. "This city kind of had me at hello," he said.

He picked up a master's degree in communication at Seton Hall University and then chose to return to Columbus where he sought out service opportunities including a five-vear stint as area commissioner in Westgate.

"The opportunity and potential that this city offers I think is tremendous," Mr. Cole said. "I think it was almost a spiritual calling to end up in this city."

He said he worked on neighborhood safety and beautification issues, before segueing into politics and hosting a public affairs radio show. He was first elected to the school board in 2013 and reelected last year. He's currently vice president of the board, which is dominated by Democrats.

"I came with the mindset of working to ensure and strengthen accountability, curriculum, transparency and safety in the district," Mr. Cole said. "I'm committed to bringing that same mindset to the Statehouse."

Even though it contains solely Democrats, he said, the school board has taught him valuable lessons.

"Even if everyone's on the same page from the politics standpoint everyone brings different points of view, skills, knowledge and attitude," Mr. Cole said. "Working among a body politic making decisions and brokering decisions...on matters that effect people is something I've tremendously learned from this experience."

Ms. Crawley is also a transplant, hailing originally from Youngstown. She spent 2000-2003 serving in the United States Navy in Virginia. After giving birth to twin girls - Hope and Faith, who are now 13 - she moved to Cleveland where she finished her college degree in criminology with a focus on juvenile delinquency.

Next was a stint in Atlanta where she received her masters and had an array of jobs centered on supporting youth including work for the Black Child Development Institute and the Court Appointed Special Advocate program.

She returned to Columbus where she attended Capital University Law School, graduating in 2017 with a concentration in civil litigation. Following that, she clerked for Honda North America and since 2016 has clerked for Eastman and Smith's Columbus office.

Both candidates list education as a central plank of their platforms. For Ms. Crawley that means ensuring equal access to quality education.

"I am an advocate for universal Pre-K," she said. "But also making sure all of our children have the same opportunities. Addressing school funding and school resources definitely plays a part."

She said she also wants to expand trade school options for young students and to focus on economic development.

"Especially in the 26<sup>th</sup> District there is disinvestment and underinvestment in that community," she said. "I would love to focus on micro-business and small businesses and making sure my neighbors have access to those resources."

She added she'd press for equal access in other areas, such as healthcare, including addiction and mental health support services.

"With that, making sure our aging population has the services they need," Ms. Crawley added. "There are a lot of grandparents taking care of their grandchildren and they don't have the resources necessary to do that effectively."

On the education front, Mr. Cole said he wants to restore consistency, including possibly by requiring five-year curriculum plans. He likened his experience on the board to being Harry Houdini locked in a box with the key inside as he's thrown over Niagara Falls.

"I find out a lot of what confines public schools period...is they are all boxed in by state laws that don't take consideration to how certain things affect us," he said. "From funding to property taxes to education and curriculum and how important it is to make sure it's steady, consistent."

In other areas, Mr. Cole said he wants to alleviate property tax burdens and create more opportunities for mixed income housing.

"I think there are any number of ways we can look at funding public education that doesn't solely fall on the backs of property owners, particularly in poor communities," he said. "I think we can do some income tax sharing. ... I think there are some win-wins. We just have to turn over some stones."

Ms. Crawley said she's the candidate voters should turn to if they seek experience thanks to a career and life experience span the spectrum from nonprofit to for-profit, military and civilian.

"I've had a commitment to being of service to others," she said. "If you look at my career either professionally or in volunteerism...! have always had a commitment to making a different in the communities in which I lived and making a difference especially for individuals who come from poverty or low-income families."

Mr. Cole and his wife Lee have three children, ages 21, 15 and 14. He is a substitute social studies teacher who enjoys motorcycles and muscle cars.

In addition to spending time with her daughters, Ms. Crawley said she collects books, particularly of the professional development variety or autobiographies.

**Subscribers Note:** This story is part of a series focusing on key primary races for Ohio legislative seats. See Gongwer's Election Page for more information on 2018 contests, including our Key Races.

#### OPA: Pharmacists Can Serve As Educators In Opioid Struggle

From asking customers to question potentially counterfeit pills to teaching them how to dissolve old medication in cat litter or coffee grounds, Ohio's pharmacists have a key role in fighting the state's opioid epidemic.

That was the message from officials with the Ohio Pharmacists Association to the nearly 1,000 pharmacists and students who attended the group's 140<sup>th</sup> annual conference and trade show Friday at the Greater Columbus Convention Center.

Ernie Boyd, executive director of the OPA, said pharmacists and the public need to "keep the pressure on" to get patients to request other medications and medical professionals to write fewer prescriptions for opioids.

Mr. Boyd said over-the-counter drugs can be a fine alternative to prescription opiates. He said he thinks it was a "major mistake" to allow ibuprofen and other anti-inflammatory or pain-relief medication to be sold without a prescription.

"In the public's mind, (ibuprofen) is as innocuous as cheese or rutabaga because it's sold next to those products," he said. "I think that's insane. These are very potent drugs."

The public tends to believe prescription drugs inherently are more effective and overthe-counter drugs safer, Mr. Boyd said, adding that's not always the case.

The convention included a demonstration of multiple ways people can dispose of old or unneeded medication, from using specialty kits to mixing it with water and coffee grounds or cat litter to make it unpalatable to animals and children. Mr. Boyd said pharmacists can explain the importance and methods of disposal and serve on local drug task forces to assist in the opiate fight.

The group also advised pharmacists to explain the importance of avoiding medication from potentially dubious sources, whether it be an acquaintance or an online retailer.

"The large majority of internet sites are (fraudulent)," Mr. Boyd said. "Ninety-eight percent of the online pharmacies are not pharmacies at all. They're fake."

He said counterfeit pills may look virtually indistinguishable from pills produced by the actual manufacturer and could include powerful opioids such as fentanyl and carfentanil. The consequences of consuming the bootleg drugs range from addiction to death.

Dr. Michael Ybarra, deputy vice president of advocacy and strategic alliances at PhRMA, said the public needs to get medicine from a trustworthy source. He said buying from "rogue online pharmacies" can be a dangerous move.

"The safest thing to do is to buy at a pharmacy," he said. "The U.S. distribution system is totally closed (with) FDA inspected facilities."

Mr. Boyd said there are some legitimate online pharmacy sites, which typically feature the National Association of Boards of Pharmacy's Verified Internet Pharmacy Practice Sites logo and have a pharmacy domain names.

The most important advice for members of the public, Mr. Boyd said, might simply be to stop using medication that was not prescribed to them.

"You just don't share any of the stuff, period," he said."

Medical Pot Program Halt Rejected; Complaint Against DeWine Dismissed; No New Trial For Beck; Buckeye Institute Weighs In On Case...

A Franklin County judge on Friday declined to put the state's medical marijuana program on hold.

Instead, Franklin County Common Pleas Court Judge Richard Frye will consider the matter again at a May 11 hearing.

"We're pleased that there's been a decision not to pause the program," said Thomas Rosenberger, a spokesman for the National Cannabis Industry Association of Ohio.

The Friday hearing was a result of a lawsuit filed by Ohio Releaf LLC, which was denied a cultivator's license and subsequently sued the Department of Commerce for what it alleges is a failure to comply with public record laws and to hold a timely administrative appeal hearing.

DOC has hired an independent auditor to review its processes. (See separate story)

**Dismissed Complaint:** A three-judge panel has dismissed one of four counts of allegedly violating canons of the Ohio Judicial Code of Conduct filed against Ohio Supreme Court Justice Patrick DeWine.

The count alleges that Justice DeWine asked Hamilton County Prosecutor Joe Deters, who had 48 cases pending before the court at the time the complaint was filed, to hire his son for an internship.

The remaining allegations involve Justice DeWine's father, Attorney General Mike DeWine. The complaint alleges Justice DeWine improperly failed to recuse himself from cases in which AG DeWine is named as a party and that he appears on his father's gubernatorial campaign web site.

Justice DeWine has denied all of the alleged charges.

**New Trial:** The nation's highest court has declined to order a new trial for a former state lawmaker.

The U.S. Supreme Court declined to grant the request of former Rep. Peter Beck for a new trial. The decision was issued without comment.

Mr. Beck in 2015 was found guilty of 13 charges and sentenced to serve four years in prison. However, a state appellate court in 2016 overturned 10 charges and Mr. Beck served just 16 months in prison.

Amicus Brief: The Buckeye Institute has filed an amicus brief with the Sixth Circuit Court of Appeals asking it to strike down a Tennessee law it says discriminates against outdoor advertisements and signs with ideological messages.

The group said the law, which is designed to be in compliance with the Highway Beautification Act of 1965, is a violation of the First Amendment.

"While we all enjoy a scenic drive and beautiful roadways, the First Amendment is even more precious to Americans and its protections must not be violated in the name of highway beautification," President and CEO Robert Alt said in a statement. "Restricting the placement of outdoor advertisements solely based on the sign's message is a clear infringement of free speech and must be overturned."

**Crew Dispute:** Major League Soccer and the Precourt Sport Ventures, owner of the Columbus Crew, have asked the Franklin County Court of Common Pleas to dismiss a lawsuit designed to prevent the team from moving to Texas.

In a motion to dismiss, the groups call the Art Modell law "blatantly unconstitutional."

"The statute violates the dormant Commerce Clause of the United States Constitution because it both discriminates against out-of-state residents and impermissibly interferes with the defendants" abilities to conduct their business in interstate commerce," the filing reads.

The law requires the owner of an Ohio professional sports team that plans to cease playing most of its home games in the state to provide six months' notice in order to give others an opportunity to purchase the franchise

**Disciplinary Cases:** The Board of Professional Conduct on Friday announced that is has filed 10 disciplinary case reports with the high court.

# Issue 1 Backers Tout Endorsements; Cordray Takes Credit For Wells Fargo Fine; Yuko Calls For Action On Guns...

The bipartisan Coalition for Redistricting Reform, the group backing Issue 1, on Friday announced a slew of endorsements for the ballot measure.

The endorsements include the Ohio AFL-CIO, the Ohio Chamber of Commerce, the Ohio Council of Churches, the Ohio Education Association, the Ohio Environmental Council, the Ohio Farm Bureau and the NAACP Ohio Chapter.

Campaign advisor Keary McCarthy in a statement said the endorsements "truly signal the bipartisan nature of fixing the way we draw our congressional districts in Ohio."

"Our state lawmakers stepped up to make this bipartisan fix to a very partisan problem a reality, and I'm thrilled to see these powerful groups across Ohio come aboard," he added.

**Wells Fargo:** Richard Cordray on Friday weighed in on the news that the Consumer Financial Protection Bureau fined Wells Fargo \$1 billion.

The bureau's former director in a statement sought to downplay the role that acting Director Mick Mulvaney played in issuing the fine.

"Mulvaney has brought no new enforcement actions since he has been at the CFPB," he said. "Investigations that take many months or even years, and that are just now being finalized, are due to the aggressive work my team did to bring predatory behavior to light. To suggest this is the work of Mulvaney, who has done nothing but throw sticks in the spokes of a talented, hard-working CFPB team of devoted public servants is preposterous."

**Gun Legislation:** Senate Minority Leader Kenny Yuko (D-Richmond Hts.) used the anniversary of the Columbine school shooting to call for legislation to reduce gun violence.

Sen. Yuko in a statement commended students who on Friday walked out of school to mark the 19<sup>th</sup> anniversary of the school shooting.

"Our young people have sent us a clear message: we need to act now to protect them. The Senate Democratic Caucus has introduced numerous common-sense proposals to address gun violence and help keep our kids safe. Many of these bills have yet to receive a hearing," he said.

"As a leader in the Ohio Senate, I know we have to do more to stop violence in our schools. Schools should be places where children worry about upcoming math tests, and not about active shooters."

**Gun Rally:** Three gun rights groups on Saturday will hold a "Patriot Day Rally" at the Statehouse.

The 11 a.m. event hosted by Ohioans for Concealed Carry, Ohio Carry and the Buckeye Firearms Association will feature historical information on the role of private gun ownership in the country's founding and immigrants who will talk about their experiences before and after coming to America, according to a release.

**NFIB Endorsement:** Rep. Larry Householder (R-Glenford), a speaker hopeful, has the backing of National Federation of Independent Business/Ohio in his reelection bid, the group announced Friday.

Roger Geiger in a statement said Rep. Householder "understands the issues important to Ohio entrepreneurs as demonstrated by his strong voting record with NFIB."

# Sheehy Calls For Further Action On Ag Runoff; OEC Proposes Toxic Chemical Protections

Rep. Michael Sheehy (D-Oregon) criticized state leaders this week after a recent report showed more work is needed to curb the runoff of phosphorus and other nutrients into Ohio's waterways.

His remarks were centered on the Ohio Environmental Protection Agency's Nutrient Mass Balance Study. The report found "no clear decrease" in nutrient loading, especially from nonpoint sources like agricultural runoff. (See Gongwer Ohio Report, April 17, 2018)

Rep. Sheehy in a statement singled out farmers for their role in contributing to runoff that can fuel harmful algal blooms in Lake Erie.

"This new report shows that despite years of deceptive talking points from powerful industry representatives in Columbus, we know where all this excess phosphorus pollution has been coming from," Rep. Sheehy said.

"It's not complicated: if you are causing nearly 90% of a problem, you should participate in searching for a solution," he continued. "Instead, their lobbyists have prioritized fighting against policy solutions and even shifting the blame to urban centers that suffer the worst of these consequences."

The Ohio Farm Bureau previously said the report shows that agriculture must play a role in improving water quality. But a spokesman said new regulations aren't needed in the group's view.

**Chemicals:** The Ohio Environmental Council is requesting the U.S. Environmental Protection Agency crack down on toxic chemicals.

The request comes in the form of a petition for rulemaking filed by the council seeking new protections again carcinogen perfluorooctanoic acid and other substances that can be pumped into water and air by manufactures.

"These companies need to stop emitting these chemicals before extensively studying them, and our proposed rules would stop this dangerous practice," said Chris Tavenor, an OEC law fellow.

Copies of the request were also submitted to President Donald Trump, Gov. John Kasich, Ohio EPA Director Craig Butler, Attorney General Mike DeWine and members of Ohio's congressional delegation.

# Ohio Lands \$26 Million In Federal Opioid Funding; Senators Applaud Disaster Request Approval...

For the second consecutive year, Ohio is poised to receive a \$26 million funding infusion to buoy efforts to combat the opioid epidemic.

The funding announced this week comes from the 21st Century CURES Act passed in 2016. It's part of \$485 million in grants to be divvied up among states this year. Ohio received a similar amount of dollars under the program last year during the first round of funding. (See Gongwer Ohio Report, April 20, 2017)

"This is good news for Ohio, and these new funds will help our efforts to combat the heroin and prescription drug epidemic gripping our state," U.S. Sen. Rob Portman (R-Terrace Park) said in a statement. "This is another positive step forward, but we must do more, and that's why I continue to push for common-sense solutions like the STOP Act and CARA 2.0 that will help us turn the tide of addiction in Ohio and around the country."

U.S. Sen. Sherrod Brown (D-Cleveland) likewise applauded word of the additional funding.

"For too long, Ohio communities have been desperate for the federal government to step up and provide the necessary resources to effectively combat the opioid epidemic," Sen. Brown said. "While we know there is more work to be done, this funding is a meaningful step forward for Ohio. It's important that the state work to get this funding out to local communities quickly as they continue to battle this epidemic."

The dollars are aimed at boosting evidence-based programs and are overseen by the U.S. Department of Health and Human Services.

**Emergency:** Sens. Brown and Portman also welcomed President Donald Trump's approval of Gov. John Kasich's request for disaster assistance following largescale flooding in February. (See Gongwer Ohio Report, April 17, 2018)

Sen. Brown said the declaration "will go a long way in helping reassure Ohio communities impacted by last month's devastating floods that they are not alone."

Sen. Portman said, "It will allow our affected communities to get much-needed federal assistance following this winter's terrible storms."

**Wright-Patterson:** Ohio delegates urged the Pentagon to pick the Dayton-area Air Force base to house the F-35 Hybrid Product Support Integrator Organization.

Wright-Patterson is "uniquely qualified" to handle that role, which could mean an additional 400 jobs, all of Ohio's senators and representatives wrote to Secretary of the Air Force Heather Wilson.

"Based on the criteria used during the strategic basing process, we believe WPAFB's workforce makes the base the logical location for HPSI," the lawmakers wrote. "The basing process specifically requires acquisition professionals who are Defense Acquisition Workforce Improvement Act certified with tactical fighter support experience, and WPAFB's workforce of engineers, programs managers, logistics managers, and contracting personnel would provide HPSI with an exceptional staff."

Chamber Of Commerce Endorses Issue 1; P&G, Key, More Report Financial Results; Toledo Businesswoman Added To SBAC

The Ohio Chamber of Commerce has thrown its support behind a ballot issue aimed at reforming the state's redistricting guidelines.

The group's board of directors earlier this week voted to support Issue 1.

"The Ohio Chamber has long recognized the need for sensible changes to the redistricting process and we are pleased to join the bipartisan coalition supporting State Issue 1," President & CEO Andrew E. Doehrel said in a statement. "Job creators know the value of a fair and competitive playing field in the marketplace, and State Issue 1 will bring this element of necessary, healthy competition to congressional campaigns, as well."

Mr. Doehrel said the group twice in the past 15 years opposed redistricting efforts that "did not represent a consensus approach."

**Procter & Gamble**: The Cincinnati-based company saw net sales of \$16.3 billion in the third quarter, up by 4% from the previous year.

Organic sales increased 1% for the quarter ended March 31, P&G reported. Diluted net earnings per share were \$0.95, an increase of 2%.

Operating cash flow was \$3.4 billion for the quarter, while adjusted free cash flow productivity was 95%, according to the company.

P&G returned \$3.2 billion to shareholders via \$1.8 billion of dividend payments and \$1.4 billion of common stock repurchase.

"We delivered modest top- and bottom-line growth in a challenging macro environment in the third quarter," Chairman, President and CEO David Taylor said in a statement. "We have large businesses in several difficult markets. The ecosystems in which we operate around the world are being disrupted and transformed. We will change at an even faster rate -- winning through superiority, cost and cash productivity and a strengthened organization and culture."

**KeyCorp**: The Cleveland-based company reported. \$402 million in net income, or \$0.38 per common share, in the first quarter.

The financial services company reported net income of \$296 million over the same period in the previous year.

"First quarter was a good start to the year, with continuing momentum in our core businesses, as we grew and expanded relationships with our targeted clients," Chairman and CEO Beth Mooney said in a statement. "Revenue increased over 3% from the same period last year, driven by a higher net interest income, solid loan growth and stronger fee income."

**First Financial**: The Cincinnati-based bank reported net income of \$30.5 million, or \$0.49 per diluted common share, in the first guarter.

First financial reported net income of \$24.8 million, or \$0.40 per diluted common share, in the previous quarter.

"We are extremely pleased with our strong first quarter performance, representing our 110th consecutive quarter of profitability and top-quartile level returns," Executive Chairman Claude Davis said in a statement. "We are also excited about our recent merger with MainSource which closed on April 1st. We welcome our new colleagues from MainSource and together look forward to building an even stronger company going forward."

**SBAC**: Lt. Gov. Mary Taylor has appointed Jennifer Zalecki to the Small Business Advisory Council.

Ms. Zalecki serves as president and CEO of Toledo-based Battery Wholesale. The company, which Ms. Zalecki's father founded in 1983, operates seven retail stores in the greater Toledo area.

"Jennifer has been an effective small business advocate through her service to the Toledo Regional Chamber of Commerce and has demonstrated her high business acumen through the success of her own company," Lt. Gov. Taylor said.

## Governor's Appointments

Ohio Thoroughbred Race Fund Advisory Council: Kimpton E. Williams of Waynesville for a term beginning April 20, 2018, and ending January 31, 2021.

State Board of Emergency Medical, Fire, and Transportation Services: Capt. Kevin T. Uhl of Sycamore Township for a term beginning April 20, 2018, and ending November 12, 2019.

**Public Benefits Advisory Board:** Dasmine Wright of Columbus for a term beginning April 20, 2018, and ending June 30, 2018.

## Supplemental Agency Calendar

Monday, April 23

Human Trafficking Commission, 18th Fl., 150 E. Gay St., Columbus, 2 p.m. Friday, April 27

Accountancy Board, 77 S. High St., Conference Room West B & C, 31st Floor, Columbus, 10 a.m.

17 S. High St., Suite 630 Columbus Ohio 43215

Phone: 614-221-1992 | Fax: 614-221-7844 | Email: gongwer@gongwer-oh.com

Scott Miller, President | Kent Cahlander, Editor | Mike Livingston, Dustin Ensinger, Jon Reed, Tom Gallick, Staff Writers

Click the Fafter a bill number to create a saved search and email alert for that bill.

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### **Event Planner**

#### Saturday, April 21

YMCA Youth & Government High School State Assembly 2, Statehouse, Columbus

### Tuesday, April 24

OAHU Annual Day at the Statehouse, Sheraton Columbus Hotel at Capitol Square, 75 East State Street, Columbus

Rep. Andy Brenner (R-Powell) fundraiser, Athletic Club of Columbus - Parlor A/B, 136 E. Broad Street, Columbus, 11:30 a.m., (Sponsor: \$1,000 | Host: \$500 | Guest: \$350 to Brenner for Ohio)

Sen. Matt Huffman (R-Lima) & Sen. John Eklund (R-Chardon) fundraiser, Pins, 141 N. 4th Street, Columbus, 5 p.m., (Sponsor: \$1,000 | Host: \$500 | Guest: \$350 to Matt Huffman for Ohio and/or Friends of John Eklund)

House Speaker Cliff Rosenberger (R-Clarksville) fundraiser, Club 185, 185 E. Livingston Ave., Columbus, 5 p.m., (Chair: \$3,700; Sponsor: \$1,370 to Committee to Elect Cliff Rosenberger)

Ohio Chemistry Technology Council's 30th Annual Legislative Reception, Renaissance Columbus Downtown Hotel, 50 North Third Street, Columbus, 5:30 p.m.

Ohio Aggregates and Industrial Minerals Association 20th Annual Legislative Reception, Statehouse Atrium, Columbus, 5:30 p.m.

#### Wednesday, April 25

American Heart Association/American Stroke Association Advocacy Day, Riffe Center, 77 S. High St., Davidson Theatre, Columbus Sen. Bill Beagle (R-Tipp City) and Sen. Peggy Lehner (R-Kettering) fundraiser, Pins, 141 N. 4th Street, Columbus, 5 p.m., (Sponsor: \$1,000 | Host: \$500 | Guest: \$350 to Citizens for Bill Beagle and/or Citizens for Lehner) Sen. Scott Oelslager (R-N. Canton) & Sen. Frank Hoagland (R-Adena) fundraiser, Athletic Club of Columbus - 136 E. Broad Street, Columbus, 5 p.m., (Checks to Oelslager for Ohio Committee and/or Hoagland for Ohio) Rep. Jim Hughes (R-Columbus) fundraiser, Valters at the Mannerchor, 976 S. High St., Columbus, 5:30 p.m., (Host: \$1,000, Sponsor: \$500; Patron: \$250, Individual: \$75 to Committee for Jim Hughes)

### Thursday, April 26

Deadline to file pre-primary campaign finance reports Rep. Glenn Holmes (D-McDonald) fundraiser, Vernon's Italian Ristorante, 720 Youngstown-Warren Road, Niles, 5 p.m., (Event Sponsor \$1500, Supporter \$1000, Friend \$500, Table Sponsor \$300, Individual \$60 to Committee to Elect Glenn Holmes)

Rep. Nathan Manning (R-N. Ridgeville) fundraiser, Berry's Restaurant, 15 W. Main Street, Norwalk, 5 p.m., (Sponsor: \$250 to Nathan Manning for Ohio)
Rep. Anne Gonzales (R-Westerville) fundraiser, Aloft Columbus Westerville, 32
Heatherdown Drive, Westerville, 5:30 p.m., (Sponsor: \$1,000 | Host: \$500 | Guest: \$250 to Citizens for Anne Gonzales)

Rep. Hearcel Craig (D-Columbus) fundraiser, The Lincoln Caf 740 E. Long St., Columbus, 5:30 p.m., (\$250, \$100, \$50, \$25 to Friends of Hearcel F. Craig)

#### Tuesday, May 1

Lobbyists/Employers can begin filing January-April 2018 Activity & Expenditure Reports

Wednesday, May 2

**Pro-life Legislative Day** 

Thursday, May 3

Rep. Kristina Roegner (R-Hudson) fundraiser, Portage Country Club, 240 N. Portage Path, Akron, 5:30 p.m., (Chair: \$5,000 | Sponsor: \$2,500 | Host: \$1,000 | Guest: \$250 to Kristina Daley Roegner for Ohio)

Tuesday, May 8

Primary election day

Thursday, May 10

YMCA Youth & Government Model United Nations, Statehouse, Columbus

Friday, May 11

YMCA Youth & Government Model United Nations, Statehouse, Columbus

Saturday, May 12

YMCA Youth & Government Model United Nations, Statehouse, Columbus

Tuesday, May 15

Deadline for most public officials and employees to file personal financial disclosure statements.

Ohio Association of Health Plans Annual Legislative Reception, Statehouse Rotunda, Columbus, 5 p.m., (Please RSVP to Stacy Bewley at sbewley@oahp.org or for any questions call (614) 228-4662.)

Rep. John Rogers (D-Mentor-on-the-Lake) & Rep. John Patterson (D-Jefferson) fundraiser, Club 185, 185 E. Livingston Ave., Columbus, 5:30 p.m., (Sponsor Levels: Sponsor \$1,000, Host \$500, Friend \$350 to Friends of Rogers and Committee to Elect John Patterson. RSVP with Jenna Gravalis at 551-429-9895 or igravalis@ohiodems.org)

#### Wednesday, May 16

Ohio Auctioneers Association legislative day

Rep. Michele Lepore-Hagan (D-Youngstown) fundraiser, Einstein Bros. Bagels, 41 S. High Street, Columbus, 8 a.m., (Sponsor \$1,000, Host \$500, Friend \$350 to Michele Lepore-Hagan for State Representative)

2018 Arts Day & Governor's Awards for the Arts in Ohio Luncheon, The Columbus Athenaeum, 32 North Fourth Street, Columbus, 12 p.m.

#### Tuesday, May 22

Ohio Cable Telecommunications Association Legislative Reception & Technology Demo, 77 S. High St., Capitol Theater Lobby, Columbus, 5 p.m. Rep. David Leland (D-Columbus) fundraiser, Market 65, 65 East State Street, Columbus, 5:30 p.m., (Guest - \$250; Host - \$500; Sponsor - \$1,000; Gold Sponsor-\$2,500 to Friends of David Leland)

#### Wednesday, May 23

Rep. Kent Smith (D-Euclid) fundraiser, Einstein Bros. Bagels, 41 S. High Street, Columbus, 8 a.m., (Sponsor \$1,000, Host \$500, Friend \$350 to Kent Smith Committee)

Rep. John Becker (R-Union Township) fundraiser, Ringside, 19 N. Pearl St., Columbus, 11:30 a.m., (Host: \$1000; Sponsor:\$500; Host:\$350 to Friends of Becker)

Rep. Doug Green (R-Mt. Orab) fundraiser, OHROC, 21 W Broad St. 7th Floor, Columbus, 4:30 p.m., (Host: \$1000; Sponsor: \$500; Host: \$350 to Committee to Elect Doug Green)

#### Thursday, May 24

Rep. Rick Perales (R-Beavercreek) golf outing fundraiser

### Thursday, May 31

JLEC Deadline for filing January-April 2018 Activity & Expenditure Reports

#### Friday, June 1

Sen. Gayle Manning (R-N. Ridgeville) & Rep. Nathan Manning (R-N. Ridgeville) golf outing fundraiser, Bob-O-Link Golf Course, 4141 Center Road (Rt. 83), Avon, 9:30 a.m., (9:30am Registration | 10:30am Shotgun Start | 3:30pm Appetizers and Awards; , Avon, Ohio 44011 Eagle Sponsor: \$1,500 | Birdie Sponsor: \$750 |

Foursome: \$400 | Hole Sponsor: \$200 | Individual Golfer: \$125 to Committee to Elect Gayle Manning and/or Nathan Manning for Ohio)

Monday, June 4

Sen. Bob Peterson (R-Sabina) golf outing fundraiser, Crown Hill Golf Club, 9500 U.S. 22, Williamsport, 12 p.m., (12:00pm Lunch | 12:30pm Shotgun Start | 5:00pm Dinner. Tournament Sponsor \$2,000 | Eagle Sponsor: \$1,000 | Birdie Sponsor: \$500 | Hole Sponsor: \$200 | Individual Golfer: \$100 | Dinner Only: \$50 to Peterson for Good Government)

Friday, June 8

House Speaker Cliff Rosenberger (R-Clarksville) golf outing fundraiser

Monday, June 11

Rep. Scott Ryan (R-Newark) golf outing fundraiser Ohio's 2018 Opiate Conference: Strengthening Ohio's Communities, Hyatt Regency, 350 N. High St., Columbus

Tuesday, June 12

Ohio's 2018 Opiate Conference: Strengthening Ohio's Communities, Hyatt Regency, 350 N. High St., Columbus

Friday, June 15

Deadline to file post-primary campaign finance reports

Monday, June 18

Sen. President Larry Obhof (R-Medina) golf outing fundraiser

Monday, June 25

Rep. Brian Hill (R-Zanesville) golf outing fundraiser Ohio Cable Telecommunications Association Golf Outing, The Lakes, 6740 Worthington Rd., Westerville

Monday, July 16

Rep. Bill Reineke (R-Tiffin) golf outing fundraiser

Thursday, July 19

Sen. Matt Dolan (R-Chagrin Falls) Batter Up fundraiser

Friday, July 20

5	Sunday, July 22
Ĩ	YMCA Youth & Government Leaders Training School, Statehouse, Columbu
	Monday, July 23
Ĭ	YMCA Youth & Government Leaders Training School, Statehouse, Columbu
	Tuesday, July 24
Ĩ	YMCA Youth & Government Leaders Training School, Statehouse, Columbu
١	Wednesday, July 25
,	YMCA Youth & Government Leaders Training School, Statehouse, Columbu Sen. Rob McColley (R-Napoleon) golf outing fundraiser
•	Thursday, July 26
Ĭ	Rep. Craig Riedel (R-Defiance) golf outing fundraiser YMCA Youth & Government Leaders Training School, Statehouse, Columbi
	Friday, July 27
ή,	YMCA Youth & Government Leaders Training School, Statehouse, Columbu
	Tuesday, July 31
	Deadline to file semi-annual campaign finance reports
	Friday, August 3
•	Deadline for statewide candidates to file July campaign finance reports
	Tuesday, August 7
	Special election for 12th Congressional District seat
	Thursday, August 16
	Sen. Bob Hackett (R-London) golf outing fundraiser
	Monday, August 20
	Rep. Laura Lanese (R-Grove City) golf outing fundraiser

lamilton County GOP State Legislative golf outing fundraiser
Saturday, September 1
obbyists/Employers can begin filing May-August 2018 Activity & Expenditure. Reports
Thursday, September 6
Deadline for statewide candidates to file August campaign finance reports
Monday, October 1
ILEC Deadline for filing May-August 2018 Activity & Expenditure Report
Wednesday, October 3
Deadline for statewide candidates to file September campaign finance reports
Γhursday, October 25
Deadline to file pre-general campaign finance reports
Гuesday, November 6
General election day
Saturday, December 1
obbyists can begin renewing Legislative, Executive and Retirement System egistrations for 2019
Friday, December 14
Deadline to file post-general campaign finance reports
Monday, December 31
All 2018 Legislative, Executive and Retirement System lobbying registrations expire in OLAC
Thursday, January 31
Deadline to 2018 annual campaign finance reports

Deadline to 2018 annual campaign finance reports

Scott Miller, President | Kent Cahlander, Editor | Mike Livingston, Dustin Ensinger, Jon Reed, Tom Gallick, Staff Writers

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From: The Buckeye Institute

Sent: Monday, April 23, 2018 7:04 AM

To: Rep48

Subject: Using Health Care Waivers to Reform a Broken System, By Rea S.

Hederman Jr.



# THE BUCKEYE INSTITUTE

## Using Health Care Waivers to Reform a Broken System

By Rea S. Hederman Jr.

April 20, 2018

Actions by the federal government have taken health care out of the hands of state officials and centralized it in Washington. The result: families are paying ever higher health insurance premiums for coverage they often do not want or need. This means less money to pay other bills, college tuition, or even buy food. And although federal policies to expand Medicaid had the best of intentions, the program has been drastically altered and is having the unintended consequence of trapping people in low-paying jobs or encouraging them to leave the workforce or work fewer hours so they qualify for Medicaid.

The good news is, this trend is reversing and the federal government is giving states new flexibility to fix their health insurance markets. While having to ask the federal government for permission is not the optimal strategy, it is an improvement, and Ohio is taking advantage of this opportunity.

On March 30, Ohio became the first state to file a **state innovation or 1332 waiver**, which will eliminate the individual mandate penalty for Ohioans for the next five years. If approved, the waiver will protect Ohioans from being forced to buy a product they do not want or need. In fact, in November of 2011 Ohioans **overwhelmingly passed** a state constitutional amendment opposing this federal mandate, recognizing that they know better than the federal government how to spend their own money.

While Ohio is the first state to use the 1332 waiver to eliminate the individual mandate, other states have used the waivers to try and stabilize their individual insurance markets. While Ohio's 1332 waiver request is a good start, the state must continue to utilize the waiver process to improve our health care system. For example, Ohio should look for ways to waive the employer mandate and should push the Trump administration to issue new guidance on how innovation waivers can be used to exempt employers from the mandate fine. These changes would enable Ohio businesses to provide more job opportunities to Ohioans.

The 1332 waiver isn't the only one Ohio is pursuing. The state is finalizing its application for the Medicaid community engagement waiver, which, as we said in our **public comments**, will help healthy, able-bodied adults gain work experience and learn new skills. These new skills will result in higher lifetime earnings and income, and as we learned from the bipartisan welfare reform law of the 1990s, will encourage recipients to work.

Ohio's Medicaid community engagement waiver is an important, but only a single, step in Medicaid reform. Neighboring states like Kentucky and Indiana have submitted stronger reform packages that combine community engagement with other reforms such health savings accounts, better benefits for recipients who engage in healthy behaviors, and cost-sharing provisions. These reforms will help Medicaid recipients obtain private coverage, which has been shown to offer better care than Medicaid.

To serve Ohioans best, policymakers should develop a comprehensive Medicaid reform plan with the goals of helping Medicaid recipients obtain and keep private coverage, and getting access to the care that meets their needs.

Up until this point, the federal government's approach to health care has been a one-size-fits-all solution. This approach has not worked and does not give states the flexibility they need to fix or make improvements to their health insurance markets. It now appears that the federal government is willing to work with the states and Ohio should seize this opportunity to make bold improvements to its system that will better serve Ohioans and their families.

Rea S. Hederman Jr. is executive director of the Economic Research Center at The Buckeye Institute and vice president of policy. A nationally recognized health care policy expert, Hederman is the co-author of Returning Health Care Power to the States.

Founded in 1989, The Buckeye Institute is an independent research and educational institution - a think tank - whose mission is to advance free-market public policy in the states.

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The Buckeye Institute, 88 East Broad Street, Suite 1120, Columbus, OH 43215

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Sent: Tuesday, May 1, 2018 8:23 AM

To: Rep48

Subject: Hicks Partners Newsletter





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May 1, 2018

Countdown to Ohio's Primary Election =

One week from today, Ohio voters will determine which candidates will face off in the race for Governor, U.S. Senate and a host of federal and state offices. As the primary election nears, the marquee races have clearly tightened. A recent poll shows Mike DeWine leading Mary Taylor by 43-26% in the GOP gubernatorial race, while Richard Cordray holds a 27.5-13% edge over his nearest rival, Dennis Kucinich. While upsets can occur, if the polls hold true, DeWine and Cordray will face off in the fall, giving Ohio voters a rematch of their 2010 race for Attorney General, which DeWine won. In the GOP Senate primary, Congressman Jim Renacci, who scored a resounding endorsement from President Trump last week, is leading a



multi-candidate field with 21% to take on Senator Sherrod Brown in the general election.

Other key races to watch will be contested primaries for the 12<sup>th</sup> and 16<sup>th</sup> Congressional Districts, respectively vacated by Pat Tiberi and currently held by Rep. Renacci. There are several contested primaries for the Ohio House of Representatives that could have an impact on who will be the next Speaker of the Ohio House.

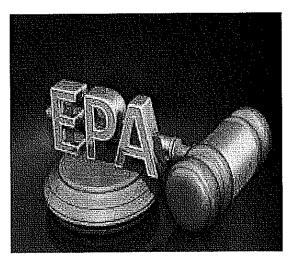
The first order of business for the winning candidates for governor will be to unite their respsective parties. The DeWine-Taylor race has been especially hard hitting and personal, while the Democratic primary has shown deep ideological divisions in the party. Both gubernatorial nominees will have their work cut out for them to present a unified front for the fall campaign.

## **Ohio Tax Expenditure Review Committee**

As previously reported within *Insider*, the Ohio Tax Expenditure Review Committee awoke last month, holding its first two hearings in months. A report released by the Buckeye Institute highlighting \$1.8 billion in annual tax loopholes drew widespread attention before the first hearing. However, testimony presented on April 11 primarily focused on tax exemptions for the manufacture and packaging of tangible personal property—something not included in the Institute's report. Industry interests bemoaned the possibility that Ohio would cease to be competitive in an

environment where most other states have similar exemptions. The April 25 hearing focused on energy and commercial food tax incentives. The next hearing is scheduled for May 9.

### **EPA Omnibus Bill**



The Ohio legislature is gearing up to consider a series of environmental reforms. At the request of the Ohio Environmental Protection Agency the yet-to-be-introduced omnibus bill is expected to contain major changes to Ohio's state watersheds protection efforts, air permitting process, increased penalties for odor nuisances, and redefining "open dumping" among many other items to be included.

INSIGHT

With relatively few legislative

sessions days scheduled in the coming months, it is unlikely that the EPA reform bill will be passed soon. However, introduction of such a comprehensive measure signals growing desire of Governor Kasich's EPA to enact reforms before they leave office.

## **Third Frontier Opiod RFP**

Ohio's Third Frontier Program is actively seeking proposals for its Opioid Abuse, Prevention, and Treatment Technology initiative. The aim of the initiative is to accelerate the development and commercialization of promising new products that meaningfully address one or more issues associated with the drug crisis driven by use, misuse, abuse and the addictive potential of opioids. Details and more information can be found here.

**Opportunity Zone Update** 



Ohio is one of 20 states to have selected qualified sites for the new opportunity zone subsidy passed within last year's Tax Cuts and Jobs Act. The U.S. Treasury recently approved 320 zones in Ohio and has delegated implementation authority to the IRS. Opportunity zones will provide significant tax incentives for up to 10 years for investments made within them, so businesses stand to gain as much as the local communities themselves. To prepare for future investments, companies can view an interactive map of Ohio's selected zones here.

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From: The Buckeye Institute

Sent: Tuesday, May 1, 2018 11:01 AM

To: Rep48

Subject: The Buckeye Institute: Ohio's Medicaid Waiver Request is First Step to

Fixing a Broken System



Contact: Lisa Gates, Vice President of Comms

FOR IMMEDIATE RELEASE

May 1, 2018

(614) 224-3255 or Lisa@BuckeyeInstitute.org

## The Buckeye Institute: Ohio's Medicaid Waiver Request is First Step to Fixing a Broken System

Columbus, OH -- Rea S. Hederman Jr., executive director of the Economic Research Center at The Buckeye Institute and vice president of policy issued the following statement on the submission of the Medicaid work and community engagement waiver by the Ohio Department of Medicaid.

"Ohio's waiver request is an important step in reforming the state's health care system, and while we applaud this initial step, we are disappointed that the waiver is not part of a broader and bolder Medicaid reform package," said Rea S. Hederman Jr., executive director of the Economic Research Center at The Buckeye Institute and vice president of policy. "The good news is, if approved, this waiver will ensure that needy and vulnerable citizens will continue to benefit from Medicaid while encouraging healthy, able-bodied adults to gain new skills and employment, and obtain private insurance coverage that offers better health care coverage. This waiver is a good start, but Ohio should continue to reform and improve its Medicaid program to help lift people up and out of the program while protecting the traditional and vulnerable Medicaid population."

A nationally recognized expert in health care policy, Hederman submitted **public comments** on Ohio's two Medicaid waiver proposals -- the work and community engagement waiver and the state innovation or 1332 waiver. He was one of the first in the

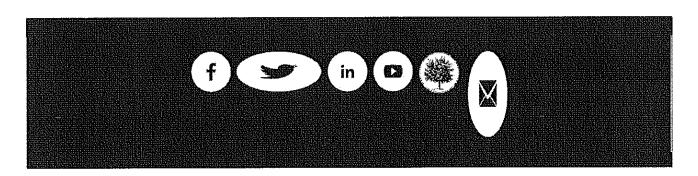
nation to propose using section 1332 waivers as a way to allow states to waive parts of the Affordable Care Act and take back the ability to regulate their insurance markets. Hederman and co-author Dennis G. Smith outlined this approach in their report *Returning Health Care Power to the States*.

In Federal Efforts to Stabilize ACA Individual Markets through State Innovation, Hederman and co-author Doug Badger argued that Congress and the federal government should empower states to devise new ways to make health insurance more affordable for more people.

#### ###

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From: The Buckeye Institute

Sent: Wednesday, May 2, 2018 7:02 AM

To: Rep48

Subject: New Buckeye Institute Research Finds Bail Reform Could Save Ohio

Communities \$67 Million



Contact: Lisa Gates, Vice President of Comms

FOR IMMEDIATE RELEASE May 2, 2018

(614) 224-3255 or Lisa@BuckeyeInstitute.org

## New Buckeye Institute Research Finds Bail Reform Could Save Ohio Communities \$67 Million

Columbus, OH -- New research by The Buckeye Institute found that Ohio's proposed reforms to its broken cash bail system could save an estimated \$67 million in jail costs, while providing a fairer, more efficient way to keep Ohio's communities safe and secure.

"Ohio's cash bail system is broken and the reforms pending in the General Assembly could save hard-earned taxpayer dollars while keeping our communities safe," said Daniel J. Dew, a legal fellow with Buckeye's Legal Center and the author of "Money Bail": Making Ohio a More Dangerous Place to Live. "Even setting aside important issues of justice, fairness, and public safety that have all been compromised by the current money bail system, the needless amount of money spent jailing people accused of low-level crimes alone is enough to justify Ohio's proposed bail reform initiative."

In this new research, *The Ohio Model for Bail Reform: Retaining Local Flexibility and Saving Money*, Dew, and analysts with Buckeye's Economic Research Center, looked at Summit County, which uses a verified risk-assessment tool to inform pretrial detention decisions. They found that Ohio could see an annual cost savings of \$67,136,121 if it reforms its cash bail system and gives judges greater flexibility to use proven, evidence-based, risk-assessment tools to assess the risk an individual poses to the community rather than relying on cash bail.

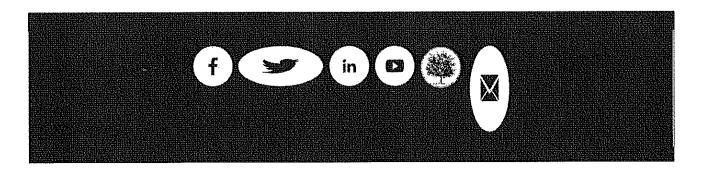
In Ohio, jail is far more expensive than supervised release, with the average jail bed costing almost \$65 per day, compared to \$5 per day for supervised release. Summit County, which has already implemented a verified risk-assessment tool, has estimated that it saved \$7.3 million in one year by adopting a pretrial risk-assessment tool and relying less on the money-bail system.

"Even accounting for its relatively large pretrial population and high daily-jail-bed cost, Summit County's early results suggest that pretrial reforms could provide substantial cost-savings across the rest of the state," Dew wrote in *The Ohio Model for Bail Reform*. "The proposed reforms give local jurisdictions more flexibility to implement changes and find cost savings than any other statewide bail reform initiative in the country."

#### ###

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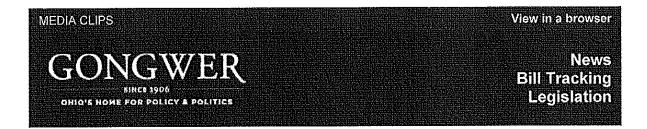
Sent by info@buckeyeinstitute.org

From: Gongwer News Service

Sent: Wednesday, May 2, 2018 8:28 AM

To: Rep48

Subject: Ohio Media Clips, Wednesday, May 2



## **NEWS**

Officials find flaw with medical marijuana grower scoring (Associated Press, 5/2/2018)

Ohio governor to announce chronic pain prescriber standards (Associated Press, 5/2/2018)

Ohio's top court to hear arguments on promotions tax dispute (Associated Press, 5/2/2018)

Here are all 403 personalized license plates Ohio rejected in the past year (Cincinnati Enquirer, 5/2/2018)

Who's who in the 'toss-up' race for Congress (Cincinnati Enquirer, 5/2/2018)

As Richard Cordray campaigns for Ohio governor, the federal agency he headed is in trial in Cleveland (Cleveland Plain Dealer, 5/2/2018)

Conservative Buckeye Institute says bail reform in Ohio would save money (Cleveland Plain Dealer, 5/2/2018)

Dennis Kucinich says the bulk of his consulting fees came from anti-G.M.O. group (Cleveland Plain Dealer, 5/2/2018)

Kane launches second ad of GOP primary for Tiberi's old seat (Columbus Dispatch, 5/2/2018)

Kucinich: I got \$122,000 as consultant for sustainable food group (Columbus Dispatch, 5/2/2018)

Mike DeWine stresses conservative credentials in new TV ad (Columbus Dispatch, 5/2/2018)

Ohio asks feds for OK to impose Medicaid work requirements (Columbus Dispatch, 5/2/2018)

Trump accuser getting donations from across US for Ohio race (Columbus Dispatch, 5/2/2018)

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Ohio may ban free international travel for lawmakers (Dayton Daily News, 5/2/2018)

Report: Bail reforms could save Ohio taxpayers \$67 million a year (Dayton Daily News, 5/2/2018)

Sexual assault legal loophole prevents victim military transfers, lawmaker says (Dayton Daily News, 5/2/2018)

Algal blooms harder to control because of climate change, other factors, data shows (Toledo Blade, 5/2/2018)

Commissioners, state representative advocate for regulation of payday loans (Toledo Blade, 5/2/2018)

Groups explore extent of ECOT 'hush money' (Toledo Blade, 5/2/2018)

## **EDITORIALS**

Beacon Journal/Ohio.com editorial board: Being mean to the poor in public housing (Akron Beacon Journal, 5/2/2018)

YANDIN MATANI MATAN

Dimitri McDaniel in the Democratic primary for Ohio House 12: endorsement editorial (Cleveland Plain Dealer, 5/2/2018)

Rick Raley in the Democratic primary for Ohio House 14: endorsement editorial (Cleveland Plain Dealer, 5/2/2018)

Editorial: Clarify regulations to finally banish ECOT demons (Columbus Dispatch, 5/2/2018)

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Subject: Ohio Media Clips, Wednesday, May 2



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From: The Buckeye Institute

**Sent:** Friday, May 4, 2018 7:01 AM

To: Rep48

Subject: It is Time to Call Foul on Special Interest Giveaways, By Quinn Beeson



# THE BUCKEYE INSTITUTE

## It is Time to Call Foul on Special Interest Giveaways

By Quinn Beeson May 4, 2018

First, Ohio legislators proposed increasing the handouts for the entertainment industry through the special interest **motion picture tax credit**. Now, they're proposing giving away more money for large sporting events. Any guess as to who would be footing that bill? That's right, you, Ohio taxpayers.

The current Sporting Event Grant Program is bad enough, and allows a county or municipality to receive state taxpayer dollars to host a national or international sporting event. For example, residents of Toledo, Southeastern Ohio, and elsewhere in the state helped Columbus host the 2018 NCAA Women's Final Four in late March. I wonder if residents in Southeastern Ohio think that was a good use of their tax dollars or if they would have preferred the money be spent on education or repairing crumbling infrastructure.

The current program is capped at \$1 million for a county or municipality per year, but proposed changes being considered by the legislature would **get rid of the limits**, meaning cities could get even more than \$1 million per year in taxpayer dollars. This means even more money being spent on sports and entertainment that most of us will never benefit from and less money being spent fixing our roads, repairing our water and sewer lines, or educating our children.

Taxpayers' hard-earned money is already being wasted on these special interest handouts that by-and-large only go to Ohio's largest cities that are well able to finance these

events. And increasing the giveaways means Ohio legislators will either have to cut spending or increase taxes across the state, just so one community can benefit from hosting a tournament.

These events, while fun, exciting, and a boost to a local economy, do not benefit all Ohioans and typically only benefit Ohio's largest cities - home field advantage for sure. So let's call goaltending on the big cities, and let them fund these efforts with their own tax dollars and keep state tax dollars focused on building a strong Ohio.

Quinn Beeson is the economic research analyst with The Buckeye Institute's **Economic Research** Center.

#### ###

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Sent by info@buckeyeinstitute.org

From: The Buckeye Institute

Sent: Wednesday, May 9, 2018 10:05 AM

To: Rep48

Subject: The Buckeye Institute Again Calls on Policymakers to Close Tax

Loopholes



Contact: Lisa Gates, Vice President of Comms

FOR IMMEDIATE RELEASE

May 9, 2018

(614) 224-3255 or Lisa@BuckeyeInstitute.org

# The Buckeye Institute Again Calls on Policymakers to Close Tax Loopholes

Greg Lawson Submits Written Testimony to the Ohio Tax Expenditure Review Committee

Columbus, OH -- The Buckeye Institute's Greg R. Lawson submitted written testimony today (see full text below or download a PDF) to the Ohio Tax Expenditure Review Committee urging the committee to close tax loopholes, which would create a better economic environment to grow Ohio's economy.

Lawson opened his testimony highlighting the positive steps policymakers have taken in the past eight years, including lowering the state's personal income tax and slowly addressing its "flawed municipal income tax system." Lawson said these changes have improved Ohio's business climate, but said more can be done and that "Confronting the proliferation of tax expenditures, commonly called 'tax loopholes,' is the next logical step for meaningful reform."

Beyond simply closing loopholes, Lawson noted that The Buckeye Institute, along with Policy Matters Ohio, would urge policymakers to include an automatic sunset for tax expenditures saying, "Such a sunset provision would...ensure that loopholes are regularly reviewed and eliminated when they no longer serve a public good."

By closing tax loopholes, which will cost Ohio more than \$18 billion in revenue in 2018-2019, Lawson noted that policymakers would make Ohio tax code less complex, more transparent, and more equitable -- all hallmarks of sound tax policy.

Lawson went on to point out that Buckeye has already identified \$1.8 billion in tax loopholes that should be closed and ended saying, "Closing unnecessary tax loopholes will save the state revenue, level the tax burden for businesses and families, and allow for further reductions in the state's still-too-high income taxes. By doing so, policymakers will strengthen Ohio's economic environment and job creation climate that will provide even greater prosperity."

The Buckeye Institute first called for the creation of the review committee in 2011, when, along with the Center for Community Solutions and the Greater Ohio Policy Center, it identified **20 loopholes** that should have been closed.

###

# Interested Party Written Testimony Submitted to the Ohio Tax Expenditure Review Committee

Greg R. Lawson, Research Fellow The Buckeye Institute May 9, 2018

Chairman Oelslager and members of the Tax Expenditure Review Committee, thank you for the opportunity to submit written testimony today.

My name is Greg R. Lawson. I am the research fellow at **The Buckeye Institute**, an independent research and educational institution -- a think tank -- whose mission is to advance free-market public policy in the states.

The Kasich Administration and the General Assembly have made progress improving Ohio's tax system. The state's personal income tax has been lowered to less than five percent, Ohio relies more on the consumption tax, which is less economically distorting, and the state has begun to slowly address its flawed municipal income tax system. These changes have improved Ohio's business climate, but more can and should be done to make Ohio more attractive to citizens and new businesses.

Confronting the proliferation of tax expenditures, commonly called "tax loopholes," is the next logical step for meaningful reform. Eliminating unneeded tax expenditures will further

reduce Ohio's personal income tax, which will create a better economic environment for job creators of all shapes and sizes to grow Ohio's economy. For years, The Buckeye Institute has called for a more thorough review of tax expenditures, and we do so again today.[1]

In 2011, we joined with the Greater Ohio Policy Center and the Center for Community Solutions, two think tanks with policy views quite different than our own, to call for something similar to this very Committee to be created in order to examine the true economic effects of tax loopholes.[2] Today, we agree with our friends at Policy Matters Ohio who have called for an automatic sunset of tax expenditures in the absence of their explicit reauthorization by the General Assembly. Such a sunset provision would heighten the urgency of this review process and ensure that loopholes are regularly reviewed and eliminated when they no longer serve a public good.[3]

New tax expenditures have been inserted into the tax code at the state and federal levels for decades. Many with good reason. For example, sales tax exemptions have helped Ohio avoid a crippling tax system that inflates prices and costs to consumers by taxing subcomponents of products during production, and Ohio is wise to use exemptions that prevent such harmful taxes. But not all tax exemptions have such a net positive effect. Loopholes make the tax system more complex, less transparent, and less equitable — all hallmarks of an unsound tax policy.[4] By contrast, lower, fairer income taxes and consumption taxes will improve Ohio's tax climate without creating unfair economic advantages for some at the expense of others.

Tax expenditures cost the state tax revenue that must then be made up by other taxes and taxpayers. When, for instance, the General Assembly gives annual \$1.6 million tax exemptions for flight simulators, the rest of us without flight simulators must off-set that lost revenue through other taxes. Similar exemptions that require off-setting taxes and tax hikes now permeate the state's tax code, and their associated costs add up. According to the latest Tax Expenditure Report from the Department of Taxation, Ohio is estimated to lose more than \$18 billion in revenue during the Fiscal Years 2018-2019 biennial budget period.[5]

To help address the loophole and lost revenue problem, The Buckeye Institute recently suggested closing a number of tax loopholes that cost Ohio more than \$1.8 billion.[6] Our suggestions include:

- The notorious NetJets loophole for those who buy shares of corporate jets;
- The motion picture tax credit, already eliminated in other states, including Michigan; [7]

- Credits for political campaign contributions; and
- The job retention and creation tax credits that favor some businesses over others.

State policymakers have significantly improved Ohio's tax system over the past decade and a half, but more work remains to be done. Fifteen years ago, Ohio had an uncompetitive tangible personal property tax and a highly progressive personal income tax with an onerous top rate of more than seven percent.[8] As this Committee knows, that top income tax rate is actually higher due to Ohio's burdensome municipal income tax system and, in many cases, local school district income taxes. Since then, tax reform efforts have helped relieve some of the burden, but today Ohioans pay a total tax bill that remains much higher than it should.[9]

Ohio's average combined state *and* local tax rate is still more than seven percent according to the non-partisan Tax Foundation.[10] In some places it can climb even higher, with the combined state and local tax rate reaching nearly 10 percent[11] -- a level one might expect in high-tax states like New York.[12] Such high rates have real world consequences for workers, businesses, and states. As the Tax Foundation has demonstrated, people and jobs do in fact migrate from high-tax states to low-tax states -- and that migration will inevitably cost Ohio workers, businesses, and future economic opportunities.[13]

As state policymakers continue to tackle tax reform and strive to improve Ohio's recovering economy, the work of this Committee is critical. Closing unnecessary tax loopholes will save the state revenue, level the tax burden for businesses and families, and allow for further reductions in the state's still-too-high income taxes. By doing so, policymakers will strengthen Ohio's economic environment and job creation climate that will provide even greater prosperity.

<sup>[1]</sup> Tax Loopholes Ohio Should Close, The Buckeye Institute (Last visited May 2, 2018).

<sup>[2]</sup> The Plain Dealer Editorial Board, When 3 Think Tanks With Quite Different Outlooks Agree on a List of Tax Loopholes to Close, Ohio's Leaders Should Listen, The Plain Dealer, May 21, 2011.

<sup>[3]</sup> Zach Schiller and Wendy Patton, Testimony to Tax Expenditure Review Committee, Policy Matters Ohio, April 25, 2018.

<sup>[4]</sup> Rea S. Hederman Jr., Tom Lampman, Greg R. Lawson, and Joe Nichols, *Tax Reform Principles for Ohio*, February 2, 2015.

<sup>[5]</sup> Ohio Department of Taxation, Tax Expenditure Report: The State of Ohio Executive Budget-Fiscal Years 2018-2019, November 25, 2016.

<sup>[6]</sup> Tax Loopholes Ohio Should Close, The Buckeye Institute (Last visited May 2, 2018).

<sup>[7]</sup> Paul Egan, Snyder Signs Bill Ending Incentives for Film Industry, Detroit Free Press, July 10, 2015.

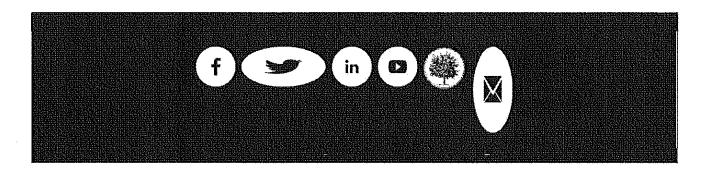
<sup>[8]</sup> Ohio Individual Income Tax Rates: 2005-2017, Ohio Department of Taxation (Last visited May 1, 2018).

- [9] Student Tax Education Program Tax History, Ohio Department of Taxation (Last visited May 1, 2018).
- [10] Jared Walczak and Scott Drenkard, State and Local Tax Rates 2018, The Tax Foundation, February 13, 2018.
- [11] Morgan Scarboro, Scott Drenkard, and Rea S. Hederman Jr., *Ohio Illustrated: A Visual Guide to Taxes and the Economy*, The Tax Foundation and The Buckeye Institute, June 2017.
- [12] Ibid.
- [13] State to State Migration Data, The Tax Foundation (Last visited May 3, 2018).

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Sent by info@buckeyeinstitute.org

From: The Buckeye Institute

Sent: Thursday, May 17, 2018 10:46 AM

To: Rep48

Subject: The Buckeye Institute: Changes to Renewable Energy Mandate Risk Ohio's

**Economy** 



# THE BUCKEYE INSTITUTE

Contact: Lisa Gates, Vice President of Comms

FOR IMMEDIATE RELEASE May 17, 2018

(614) 224-3255 or Lisa@BuckeyeInstitute.org

## The Buckeye Institute: Changes to Renewable Energy Mandate Risk Ohio's Economy

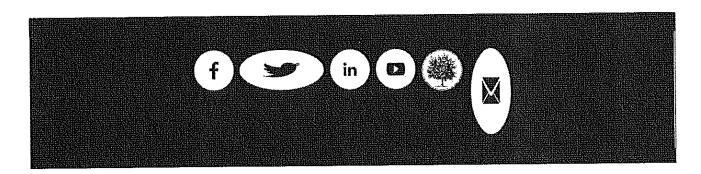
Columbus, OH -- The Buckeye Institute issued the following statement on the changes made to the policies in House Bill 114.

"For years Ohio consumers have been able to voluntarily pay to receive their energy from renewable sources and they should be allowed to continue to choose whatever energy source best meets their needs. They do not need the government forcing them to pay higher energy bills to pay for a forced mandate.

"With House Bill 114, the Ohio House of Representatives had wisely shifted Ohio away from government imposed renewable energy mandates. Unfortunately, the Senate has reinstated them. Although the Senate proposal reduces the forced mandates, the fact that they remain unduly **risks Ohio's economic growth** by continuing to allow a special interest subsidy at a time when we should be eliminating all subsidies."

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The Buckeye Institute, 88 East Broad Street, Suite 1120, Columbus, OH 43215

Sent: Thursday, May 17, 2018 5:25 PM

To: Rep48

Subject: The Buckeye Institute Reacts to HHS Determination that Ohio's 1332

Medicaid Waiver Application is Incomplete



Contact: Lisa Gates, Vice President of Comms

FOR IMMEDIATE RELEASE May 17, 2018

(614) 224-3255 or Lisa@BuckeyeInstitute.org

# The Buckeye Institute Reacts to HHS Determination that Ohio's 1332 Medicaid Waiver Application is Incomplete

**Columbus, OH -- The Buckeye Institute** issued the following statement on the Centers for Medicare and Medicaid Services' determination that Ohio's 1332 Medicaid waiver application was incomplete.

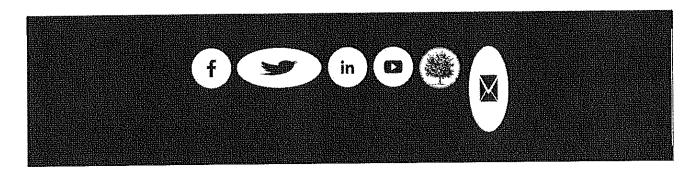
"It is disappointing that the federal government would deem Ohio's 1332 Medicaid waiver application incomplete. The Ohio application does not impact health coverage according to actuarial evidence. While Health and Human Services (HHS) told states it would work with them to use innovation waivers to ease the burden of the Affordable Care Act, in practice HHS has been inflexible. It's refusal to rescind Obama-era guidance regarding 1332's reinforces that message of inflexibility."

#### ###

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The Buckeye Institute, 88 East Broad Street, Suite 1120, Columbus, OH 43215

Sent: Friday, May 18, 2018 11:33 AM

To: Rep48

Subject: The Buckeye Institute: Ohio's Job Market Continues its Steady Climb



Contact: Lisa Gates, Vice President of Comms

FOR IMMEDIATE RELEASE

May 18, 2017

(614) 224-3255 or Lisa@BuckeyeInstitute.org

### The Buckeye Institute: Ohio's Job Market Continues its Steady Climb

Columbus, OH -- Andrew J. Kidd, Ph.D., an economist with The Buckeye Institute's Economic Research Center, commented on newly released employment data from the Ohio Department of Job and Family Services (Click here to download the audio file.).

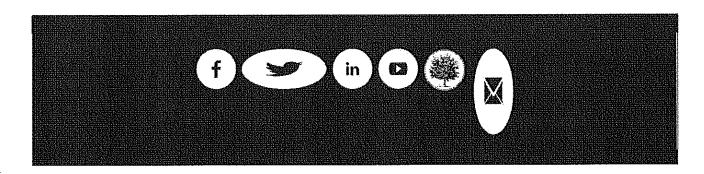
"Ohio continues to experience steady improvement in its labor market with unemployment falling to 4.3 percent, and significant job growth relative to April 2017 when the unemployment rate was 5.1 percent. This, coupled with the rise in labor force participation, means Ohio's labor market is growing and those seeking jobs are finding them. This is good news for Ohioans and good news for Ohio's economy.

"Although Ohio has yet to reach the national unemployment rate of 3.9 percent, we are on the right track. While the national labor force participation rate fell, Ohio's actually grew. This means Ohio fared better than most states in maintaining a strong labor force. Although Ohio is moving in the right direction, policymakers need to ensure obstacles, such as special tax credits to benefit specific businesses, are not put in place that would harm this growth.

"While this month's growth was slower than previous months, Ohio's unemployment rate has held steady or fallen every month since October 2016, and we should not lose sight of the fact that relative to 2017, Ohio's job market is much stronger and continuing progrowth policies will help both Ohio businesses and Ohio workers.

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The Buckeye Institute, 88 East Broad Street, Suite 1120, Columbus, OH 43215

Sent: Tuesday, May 22, 2018 10:31 AM

To: Rep48

Subject: The Buckeye Institute Calls on Policymakers to Protect the "Brilliance of

America's Constitution": Federalism



Contact: Lisa Gates, Vice President of Comms

FOR IMMEDIATE RELEASE

May 22, 2018

(614) 224-3255 or Lisa@BuckeyeInstitute.org

# The Buckeye Institute Calls on Policymakers to Protect the "Brilliance of America's Constitution": Federalism

Daniel J. Dew Testifies Before the Ohio Senate Local Government, Public Safety, and Veterans Affairs Committee

Columbus, OH -- The Buckeye Institute's Daniel J. Dew testified today (see full text below or download a PDF) before the Ohio Senate Local Government, Public Safety, and Veterans Affairs Committee on Senate Concurrent Resolution 23 and the importance of constitutional federalism.

"The significance of federalism and the separation of powers between the federal and state governments can hardly be overstated," Dew said in opening his testimony where he outlined three points for members of the committee to consider: the importance of federalism, the erosion of federalism, and the future of federalism.

The importance of federalism, Dew testified, was expressed by "Justice Anthony Kennedy [who] once wrote that 'Federalism was our Nation's own discovery...It was the genius of their [the Framers] idea that our citizens would have two political capacities, one state and one federal, each protected from incursion by the other." Dew went on to say "Federalism is that unique system of sovereignty and power that protects the people of one state from the dictated policy preferences of another."

Recognizing that American federalism has been eroded, Dew highlighted the case of Montgomery County farmer, Roscoe Filburn, who lost his 1942 case against the federal government, which had charged Mr. Filburn with violating the federal quota limiting the amount of wheat that farmers could legally grow. In its ruling against Mr. Filburn, the Supreme Court looked to the Commerce Clause, which as Dew said, "Has not been the only lever that Congress has pulled to further shrink the sphere of the several states." Congress and the federal government, also offer "vast sums of federal money in exchange for states doing what Congress is not otherwise authorized to do," as they did with the "once-popular but now widely-criticized Crime Bill of 1996," where they offered states money if they would increase prison sentences for those convicted under state law. And, as Dew points out, "Many states obediently rewrote their criminal statutes in order to take Uncle Sam's cash."

Dew closed his testimony by pointing out that there is hope for federalism and, "It affords opportunities for states to assert their prerogatives once again." To do that Dew says, "State attorneys general must...defend state sovereignty against federal action in court," state legislatures must close loopholes that allow greater federal government incursion, and legislatures must "actively resist the temptation to take federal dollars that Congress offers to entice Ohio to do its bidding."

#### ###

### Interested Party Testimony Before the Ohio Senate Local Government, Public Safety, and Veterans Affairs Committee

Daniel J. Dew, Legal Fellow The Buckeye Institute May 22, 2018

Chair Uecker, Vice Chair Wilson, Ranking Member Thomas, and members of the Committee, thank you for the opportunity to testify today regarding Senate Concurrent Resolution 23 and the importance of constitutional federalism.

My name is Daniel J. Dew, and I am the legal fellow at The Buckeye Institute's Legal Center, an independent research and educational institution -- a think tank -- whose mission is to advance free-market public policy in the states.

The significance of federalism and the separation of powers between the federal and state governments can hardly be overstated. And although we as lawyers and members of the General Assembly are undoubtedly familiar with this founding principle of our great

republic, it remains useful to remind ourselves of that principle, how and for what purpose it functions, and what role it might play in our political future. To that end, I offer the following three points for your consideration: the importance of federalism; the erosion of federalism; and the future of federalism.

### The Importance of Federalism

The undisputed brilliance of America's founding and Constitution lies in federalism. Justice Anthony Kennedy once wrote that "Federalism was our Nation's own discovery. The Framers split the atom of sovereignty. It was the genius of their idea that our citizens would have two political capacities, one state and one federal, each protected from incursion by the other." Justice Kennedy reminds us that the greatest check on federal power under the Constitution was not the separation of power divided among three co-equal branches, but the division of power between the sovereign states and the sovereign United States.

To implement this balance of separated power, the Constitution established several structural safeguards to protect against political "incursions." State sovereignty was protected first by the express, but limited delegation of specific powers that the Constitution granted to the national government. Many of the Framers considered these enumerated federal powers to be the extent of national authority, but others worried that without additional explicit protections, the national government would expand beyond its delegated sphere.

In opposing the need for a bill of rights, for example, Alexander Hamilton argued in Federalist 84:

"I go further, and affirm that bills of rights...are not only unnecessary in the proposed constitution, but would even be dangerous. They would contain various exceptions to powers which are not granted; and on this very account, would afford a colourable pretext to claim more than were granted. For why declare that things shall not be done which there is no power to do?"

To sharpen his point, Hamilton went on to ask: "Why for instance, should it be said, that the liberty of the press shall not be restrained, when no power is given by which restrictions may be imposed?"

Notwithstanding Hamilton's rhetorical question, the Bill of Rights was soon ratified, and with it a second constitutional safeguard for federalism and state sovereignty. James Madison, the architect of the constitutional structure, initially resisted a bill of rights, believing like Hamilton that such express protections were unnecessary given the few and

defined federal powers. But Madison later authored the Constitution's 10th Amendment, which expressly reserves to the people and the several states any powers not delegated to the federal government.

One final structural safeguard for state authority was the Constitution's initial requirement that U.S. Senators be elected by state legislatures. This provision — later nullified in 1913 by the Seventeenth Amendment — gave states a more direct representation in the national Congress, essentially giving states a veto power over any legislation that infringed on state prerogatives or sovereignty.

The animating principle behind each of these safeguards, of course, was the Framers' understanding that local governments are best suited to govern *local* matters, and that you, as Ohio's legislature, would know better than Congress or the President how to solve the problems and concerns of Ohio and your constituents. Federalist 17 went so far as to call any attempt by the national government to involve itself in local matters "troublesome."

We see the wisdom of this concern manifest in our own political climate today. We see fundamental differences of opinion from state to state on the proper role, scope, and interests of government -- whether state or federal. Californians, for example, do not want Oklahomans or Alabamans dictating policy for California -- and the feeling is almost certainly mutual -- just as we would never want that "state up north" dictating policy for the great state of Ohio.

Federalism is that unique system of sovereignty and power that protects the people of one state from the dictated policy preferences of another. It allows those governments closest to the people to determine the policies that impact daily life -- at least that's how it was designed.

#### The Erosion of Federalism

The structural safeguards protecting state and federal power against what Justice Kennedy called the "incursions of the other," have unfortunately eroded. The 17th Amendment in 1913 that called for the direct, popular election of U.S. Senators dealt a significant blow to the original constitutional bulwark. After 1913, the several states no longer had direct representation in Congress, as their Senators were no longer elected by their legislatures. The Amendment's effect was tempered for several years, despite the agenda of the early Progressive movement to expand federal authority, because the Supreme Court took a relatively narrow view of national powers in those days. That view, however, would evolve.

In the late 1930s and early 40s, under tremendous pressure from President Roosevelt, the Supreme Court began taking a broader perspective of the scope of federal power. In so doing, the Court radically redrew the lines between "local" and "national" interests, and shifted the delicate balance of power and sovereignty in Washington's favor.

Perhaps the Court's most infamous decision on federalism, *Wickard v. Filburn*, started just outside Dayton, Ohio. At issue was the federal quota limiting the amount of wheat that farmers could legally grow. Montgomery County farmer, Roscoe Filburn, grew his quota, but also grew some extra wheat for his family's own consumption. Federal authorities charged Mr. Filburn with violating the federal quota, and Filburn challenged Congress's authority to regulate the size of his personal crop -- he had no intention, after all, to sell his personal family portion across state lines. Thus, argued the farmer, he was not engaged in interstate commerce and therefore was beyond federal reach. In its 1942 decision, the Supreme Court disagreed.

The *Wickard* Court held that Mr. Filburn's personal wheat consumption could be aggregated with other farmers who might also plant their own wheat, and that, when aggregated, these personal portions could impact the national wheat market. Such a potential impact, said the Court, brought Mr. Filburn's private wheat stock within Congress's authority under Article I, Section 8 to "regulate commerce with foreign nations, and among the several states."

Since then, the country's balance of sovereignty has never been the same, as virtually any facet of local, daily life -- once aggregated -- could be construed to have a national impact. In fact, it would be more than 50 years after Mr. Filburn's case before the Supreme Court would find a federal law exceeding the outer limits of Congress's authority to regulate interstate commerce.

The effect of such a shift in the balance of power was summarized more recently by Justice Clarence Thomas, who wrote:

"There is a danger to concentrating too much, as well as too little, power in the Federal Government. This Court has carefully avoided stripping Congress of its ability to regulate *inter*state commerce, but it has casually allowed the Federal Government to strip States of their ability to regulate *intra*state commerce -- not to mention a host of local activities..."

Unfortunately, the Constitution's Interstate Commerce Clause has not been the only lever that Congress has pulled to further shrink the sphere of the several states. When the everelastic powers of the Commerce Clause are not enough to impose Washington's will,

Congress often resorts to Don Corleone's famously effective approach in *The Godfather* -- and makes the states an offer they can't refuse.

That offer typically involves Congress sending states vast sums of federal money in exchange for states doing what Congress is not otherwise authorized to do. For example, Congress's once-popular but now widely-criticized Crime Bill of 1996 offered money to states if they would increase prison sentences for those convicted under state law. Here, Congress inserted itself into local criminal justice matters that had been traditionally -- and for good reason -- left entirely to the state and local authorities. The money, however, was too much to resist and many states obediently rewrote their criminal statutes in order to take Uncle Sam's cash. Like the Commerce Clause, the Supreme Court has found precious little beyond Congress's so-called Spending Power-a coercive power that Chief Justice Roberts once called "a gun to the head."

Collectively, or "in the aggregate," constitutional amendments and the Supreme Court's reinterpretation of constitutional authority have eroded the safeguards of federalism over the years. The structural lines that protected each political sovereign from the "incursions of the other" have been undeniably blurred. But there is hope.

#### The Future of Federalism

Few would argue that federalism today remains the robust stalwart against federal encroachment that James Madison and Alexander Hamilton had envisioned. The ebbs and flows of history and jurisprudence have taken their toll. But the constitutional structure that originally "split the atom of sovereignty" still remains, and it affords opportunities for states to assert their prerogatives once again. To do that, state attorneys general must continue to vigorously defend state sovereignty against federal action in court. Regrettably, such resistance will likely need to become the norm and not the exception if Ohio and her sister states are to restore the rightful balance of constitutional power.

And you, serving as the legislature, will also need to join the fight. In the last session, the General Assembly stood up for Ohio by limiting federal efforts to circumvent protections that you extended your constituents through civil asset forfeiture reform. You wisely closed a loophole in the federal Equitable Sharing program that had allowed law enforcement to evade state restrictions on civil forfeiture and take property from those who had never even been charged with a crime.

But more than just closing loopholes, you can actively resist the temptation to take federal dollars that Congress offers to entice Ohio to do its bidding. As we all know, those dollars inevitably dry-up and all that's left are growing piles of red-tape and state debt. By resisting

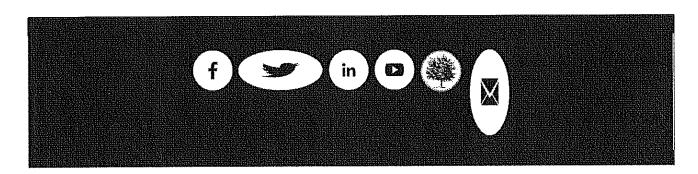
the siren song of Congress, Ohio can once again begin to safeguard her own sovereign, political interests. As Chief Justice Roberts quipped a few years ago, "The States are separate and independent sovereigns. Sometimes they have to act like it."

Thank you for the opportunity to address this important subject today. I would be happy to answer any questions you might have.

#### ###

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The Buckeye Institute, 88 East Broad Street, Suite 1120, Columbus, OH 43215

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Sent by <u>info@buckeyeinstitute.org</u>

**Sent:** Tuesday, May 22, 2018 4:15 PM

To: Rep48

Subject: The Buckeye Institute: Ohio Shouldn't Regulate Professions Unless There

is a Risk to Public Safety



Contact: Lisa Gates, Vice President of Comms

FOR IMMEDIATE RELEASE

May 22, 2018

(614) 224-3255 or Lisa@BuckeyeInstitute.org

# The Buckeye Institute: Ohio Shouldn't Regulate Professions Unless There is a Risk to Public Safety

Greg Lawson Testifies before the Ohio House Economic Development, Commerce, and Labor Committee

Columbus, OH -- The Buckeye Institute's Greg R. Lawson testified today (see full text below or download a PDF) before the Ohio House Economic Development, Commerce, and Labor Committee on the policies in House Bill 504.

In his testimony, Lawson noted that while House Bill 504 is not an occupational licensing bill, "as a permissive certification, the bill would effectively expand the scope of practice for those who seek the new certification," and The Buckeye Institute "continue[s] to discourage the direct regulation of any specific profession unless there is a verifiable public safety risk."

###

Interested Party Testimony Before the Ohio House Economic Development, Commerce, and Labor Committee on House Bill 504

Greg R. Lawson, Research Fellow

## The Buckeye Institute May 22, 2018

Chairman Young, Ranking Member Lepore-Hagan, and members of the Committee, thank you for the opportunity to testify today regarding House Bill 504.

My name is Greg R. Lawson. I am the research fellow at **The Buckeye Institute**, an independent research and educational institution-a think tank-whose mission is to advance free-market public policy in the states.

Ohioans should not have to ask the state for permission to earn their living. Yet, all too often, Ohio's occupational licensing requirements serve as "permission slip" policies that make it harder-and sometimes impossible-for Ohioans and would-be Ohioans to pursue their careers and put food on the table for their families. Such policies must end.

Enter House Bill 504. First, The Buckeye Institute appreciates that this bill is not technically a licensure bill for interior designers. As a permissive certification, the bill would effectively expand the scope of practice for those who seek the new certification.

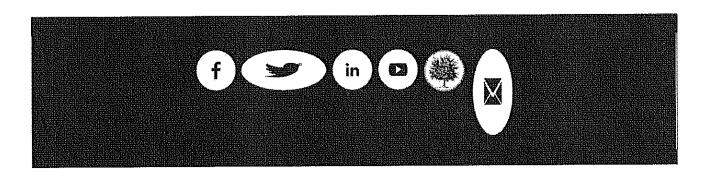
Under the proposed bill, certified interior designers would be permitted to submit plans directly to building code officials rather than having to work under the direction or supervision of an architect or engineer, as is presently the case. These steps are better than prior proposals that would have required a license to be an interior designer. However, we continue to discourage the direct regulation of any specific profession unless there is a verifiable public safety risk.

Second, The Buckeye Institute respectfully suggests that the Committee consider clarifying potential professional liability issues that House Bill 504 may unintentionally create. Expanding the scope of practice for interior designers by permitting them to submit plans to building officials should make the certified designer-and not the architect or engineer-liable for any problems that arise from the designer's submitted designs. As written, however, the bill does not make clear if this would in fact be the case.

Thank you for your time and consideration. I welcome any questions the Committee might have.

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The Buckeye Institute, 88 East Broad Street, Suite 1120, Columbus, OH 43215

**Sent:** Tuesday, June 5, 2018 11:21 AM

To: Rep48

Subject: The Buckeye Institute Urges Ohio Policymakers to Pursue Systemic Tax

Reform



Contact: Lisa Gates, Vice President of Comms

FOR IMMEDIATE RELEASE

June 5, 2018

(614) 224-3255 or Lisa@BuckeyeInstitute.org

### The Buckeye Institute Urges Ohio Policymakers to Pursue Systemic Tax Reform

Greg Lawson Testifies Before the Ohio House Ways and Means Committee

Columbus, OH -- The Buckeye Institute's Greg R. Lawson testified today (see full text below or download a PDF) before the Ohio House Ways and Means Committee on House Bill 333.

In opening his testimony, Lawson noted that "nullifying tax penalties and making the tax code fairer for taxpayers is...laudable" and, quoting from a **study** by the American Enterprise Institute and the Brookings Institute, further highlighted the "significant correlation between marriage, poverty, and economic growth."

Lawson also noted that the "new marriage neutrality is only necessary because Ohio's tax code remains tragically progressive," and went on to say the policy "addresses but one symptom of a bed-ridden patient without offering any lasting cure."

The cure, Lawson said, is systemic change to Ohio's tax code that would include reforming the municipal income tax structure and would create a tax system that is pro-growth, simple, transparent, fair, and equitable, as outlined in Buckeye's *Tax Reform Principles for Ohio*.

Lawson applauded the efforts of policymakers to eliminate Ohio's marriage penalty, but urged them to pursue "fundamental changes" that will spur economic growth and help families "climb the ladder of prosperity."

#### ###

# Interested Party Testimony Before the Ohio House Ways and Means Committee on House Bill 333

### Greg R. Lawson, Research Fellow The Buckeye Institute June 5, 2018

Chairman Schaffer, Ranking Member Rogers, and members of the Committee, thank you for the opportunity to testify today regarding House Bill 333.

My name is Greg R. Lawson. I am the research fellow at **The Buckeye Institute**, an independent research and educational institution -- a think tank -- whose mission is to advance free-market public policy in the states.

House Bill 333 will annul the "marriage penalty" currently wedded to Ohio's personal state income tax. Nullifying tax penalties and making the tax code fairer for taxpayers is, of course, laudable. Eliminating this particular penalty -- and thereby encouraging, rather than discouraging marriage -- is especially worthwhile considering the significant correlation between marriage, poverty, and economic growth.

Last year, for instance, the American Enterprise Institute (AEI) and Brookings Institute found that "Less than half of poor Americans age 18 to 55 (just 26 percent) and 39 percent of working-class Americans are currently married, compared to more than half (56 percent) of middle- and upper-class Americans,"[1] indicating a strong connection between the matrimonial bond and economic status.

Using "models that control for a range of factors...that might otherwise confound the family-economy link at the state level," an earlier AEI study concluded in 2015:

"Higher levels of marriage, and especially higher levels of married-parent families, are strongly associated with more economic growth, more economic mobility, less child poverty, and higher median family income at the state level in the United States. When we compare states in the top quintile of married-parent families with those in the bottom quintile, we find that being in the top quintile is associated with a \$1,451 higher per capita

GDP, 10.5 percent greater upward income mobility for children from lower-income families, a 13.2 percent decline in the child poverty rate, and a \$3,654 higher median family income."[2]

Thus, on purely socio-economic policy grounds, policymakers should reduce if not eliminate disincentives to marry. The tax code's disincentives or the so-called "marriage penalties" arise when two people with similar incomes get married and jointly file their tax returns.[3] When the newly-weds combine their incomes and file jointly, they enter a higher bracket than if they chose to remain single and file separately.[4] This higher tax liability penalizes marriage -- effectively using the tax code to pick winners (those who do not marry) and losers (married couples filing jointly). When governments pick winners and losers, people tend to suffer.

HB 333 offers relief to a large number of Ohio families currently losing an unfair tax game because it allows married joint-filers to claim a new tax credit such that they would pay no more than if they could legally file separately. Such tax relief is good.

But HB 333's new marriage neutrality, of course, is only necessary because Ohio's tax code remains tragically progressive. Describing the similarly progressive federal tax code's "marriage penalties," Congress' Joint Committee on Taxation once explained:

"The current tax system is progressive: as a taxpayer's income rises, the tax burden increases as a percentage of income. It also taxes married couples with equal income equally: it specifies the married couple as the tax unit so that married couples with the same income pay the same tax. However, it is not marriage neutral."[5]

Although HB 333 takes a positive step forward in the fight against unfair taxation, it is important to recognize its limitations. It addresses but one symptom of a bed-ridden patient without offering any lasting cure. Even after HB 333 nullifies the state's marriage penalty, Ohio will still suffer from its growth-killing disease: progressive taxation. Indeed, after accounting for the state's municipal income tax structure -- the worst local tax system in America -- Ohio ranks in the upper half of the nation in combined state and local tax burden.[6] And removing the state's marriage penalty, unfortunately, will not do enough to change that.

More systemic changes are needed. As The Buckeye Institute explained in our *Tax Reform Principles for Ohio*,[7] the state's tax code should be pro-growth, simple, transparent, fair, and equitable.[8] Flatter taxes on broader bases, without special exemptions, will lower the tax burden and spread their cost more evenly and fairly among taxpayers. Streamlining and simplifying the local tax structure will help, too. So although we applaud the efforts to end

the state's marriage penalty, more fundamental work remains to be done. Settling only for superficial remedies without pursuing more fundamental changes, without working to structurally reform the state's progressive taxation, Ohio will continue to be plagued by mediocre economic growth that has kept families from climbing the ladder of prosperity for decades.[9]

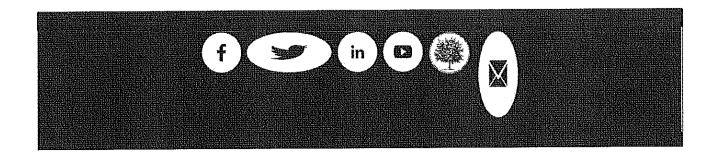
Thank you for your time and consideration. I welcome any questions the Committee might have.

- [1] W. Bradford Wilcox and Wendy Wang, *The Marriage Divide: How and Why Working-Class Families are More Fragile Today*, The American Enterprise Institute and Brookings Institute, September 2017.
- [2] W. Bradford Wilcox, Robert I. Lerman, and Joseph Price, Strong Families, Prosperous States: Do Healthy Families Affect the Wealth of States?, American Enterprise Institute, October 19, 2015.
- [3] Kyle Pomerleau, Understanding the Marriage Penalty and Marriage Bonus, Tax Foundation, April 23, 2015.
- [4] *Ibid.*
- [5] Staff for the Joint Committee on Taxation, Fairness and Tax Policy, Joint Committee on Taxation, March 3, 2015.
- [6] Katherine Loughead, State and Local Individual Income Tax Collections Per Capita, Tax Foundation, May 31, 2018.
- [7] Rea Hederman Jr., Tom Lampman, Greg R. Lawson, and Joe Nichols, *Tax Reform Principles for Ohio*, The Buckeye Institute, February 2, 2015.
- [8] *Ibid*.
- [9] Rich Exner, Ranking Ohio Governors for Jobs: John Kasich's Current Term is a Lot Like Ted Strickland's Record vs. the U.S., Cleveland.com, May 22, 2018.

#### ###

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The Buckeye Institute, 88 East Broad Street, Suite 1120, Columbus, OH 43215

Sent: Wednesday, June 6, 2018 5:37 PM

To: Rep48

Subject: The Buckeye Institute: Energy Mandates and Subsidies Harm Ohio's

**Economy** 



Contact: Lisa Gates, Vice President of Comms

FOR IMMEDIATE RELEASE

June 6, 2018

(614) 224-3255 or Lisa@BuckeyeInstitute.org

# The Buckeye Institute: Energy Mandates and Subsidies Harm Ohio's Economy

Greg Lawson Testifies Before the Ohio Senate Energy and Natural Resources Committee

Columbus, OH -- The Buckeye Institute's Greg R. Lawson testified today (see full text below or download a PDF) before the Ohio Senate Energy and Natural Resources Committee on House Bill 114.

In setting the context for his testimony, Lawson told policymakers that The Buckeye Institute "support[s] renewable energy and encourage[s] the growth of the renewable energy industry in Ohio. But we do not support government-imposed energy mandates of any kind. Our position against government mandates extends far beyond the renewable energy sector...The Buckeye Institute consistently opposes any mandates, subsidies, or bailouts for any energy resource."

Lawson went on to outline the harm Ohio's Renewable Portfolio Standard (RPS), even the lower standards in the Senate's version of House Bill 114, would inflict on the state's economy. "If the RPS mandates cap out at 8.5 percent, as proposed in the substitute version of House Bill 114, and the price of renewable energy credits increases to historical highs, we expect employment to be 1.4 percent less and the state's GDP to be 1.3 percent smaller. Such reductions will mean 63,000 fewer jobs in Ohio by the time the RPS is fully implemented."

Reminding policymakers that the RPS functions like a tax on electricity "by increasing the product's price without providing the consumer with any additional benefit or value," Lawson highlighted the reliability of Buckeye's dynamic macroeconomic model over static input-output models in assessing potential economic impacts of policies like RPS. "Input-output models fail to account correctly for behavioral changes such as the effects that a price increase has on electricity demand and total output -- especially in energy-intensive industries...Thus, unlike other studies, our analysis accounts for economic realities like higher electricity prices and non-green sector layoffs rather than assuming or wishing them away."

#### ###

### Interested Party Testimony Before the Ohio Senate Energy and Natural Resources Committee on House Bill 114

### Greg R. Lawson, Research Fellow The Buckeye Institute June 6, 2018

Chairman Balderson, Vice Chair Jordan, Ranking Member O'Brien, and members of the Committee, thank you for the opportunity to testify today regarding renewable energy and House Bill 114.

My name is Greg R. Lawson. I am the research fellow at **The Buckeye Institute**, an independent research and educational institution -- a think tank -- whose mission is to advance free-market public policy in the states.

Members of this committee have diligently worked to find a responsible path forward for Ohio's renewable energy policy. And we appreciate that. We also recognize that the Renewable Portfolio Standard (RPS) would be modified in the Senate's substitute version of House Bill 114 to max out at 8.5 percent in 2022 rather than continue the march up Mandate Mountain to 12.5 percent in 2026 as under current law. Although that substitution certainly improves the status quo, we do not support Ohio having any RPS mandate.

To be clear, we support renewable energy and encourage the growth of the renewable energy industry in Ohio. But we do not support government-imposed energy mandates of any kind. Our position against government mandates extends far beyond the renewable energy sector. As our previous testimony against the Ohio Valley Electric Company

bailouts[1] and the Zero Emissions Nuclear Resource Program[2] made clear, The Buckeye Institute consistently opposes any mandates, subsidies, or bailouts for any energy resource.

On principle, we maintain that all customers, whether residential, commercial, or industrial, should remain free to use and purchase from a menu of energy options voluntarily. Government mandates that require quotas and compelled consumption not only infringe upon such freedom but are, in fact, unnecessary in today's energy market.

The Business Council for Sustainable Energy recently found, for example, that 18 percent of all energy generation in the United States comes from renewable sources,[3] which means that consumers are already choosing renewable energy. Furthermore, large renewable energy consumers like Amazon and EnerBlu just enlarged their footprint in Kentucky, right next door -- and Kentucky does not have renewable energy mandates.[4] EnerBlu, in fact, relocated its headquarters to Kentucky just this spring.[5] Other financial incentives perhaps enticed these companies to expand in Kentucky, but they did so voluntarily, choosing a non-RPS state over Ohio.

As they make Ohio less attractive and less competitive for businesses, energy mandates will generate their own harmful downstream effects on the state's economy.

Last year, The Buckeye Institute's Economic Research Center used its dynamic macroeconomic model to study the potential effects of Ohio's current RPS program under four different scenarios (explained in the attached Appendix).[6] Using historical data from the Public Utilities Commission, we calculated the percent increase in electricity prices caused by the cost of RPS compliance. Under the RPS, electricity providers purchase renewable energy credits -- or RECs -- which add expenses above and beyond the cost of buying and distributing wholesale electricity. Providers pass that additional cost on to consumers. Thus, RPS functions very much like a tax on electricity by increasing the product's price without providing the consumer with any additional benefit or value. Our dynamic economic model applied past and projected price increases caused by RPS to estimate the effect of this tax on state GDP and employment growth. The results, though not surprising, should concern this Committee as the model revealed that RPS reduces Ohio's GDP and curbs job growth across the state by increasing the costs of producing energy.

If, for example, the RPS mandates cap out at 8.5 percent, as proposed in the substitute version of House Bill 114, and the price of renewable energy credits increases to historical highs, we expect employment to be 1.4 percent less and the state's GDP to be 1.3 percent smaller. Such reductions will mean 63,000 fewer jobs in Ohio by the time the RPS is fully implemented. Even if REC prices remain constant at historical lows as the mandates

resume to 8.5 percent, Ohio will employ 25,400 fewer people and produce nearly \$2.8 billion less output by the final year of compliance.[7]

Advocates of the RPS mandates contend that increasing investments and job growth in the renewable energy sector offsets the program's economic costs and losses. Our model accounts for such green job growth. By using Ohio's historical RPS, electricity, and employment data, our model calculates green job growth and changes to non-green sectors attributable to the mandate. The model found that green job growth did not make up for the heavier job losses in other sectors.

Other studies, of course, claim to find economic benefits from RPS programs. Our model and analysis, however, better reflects the likely economic effects of the policy because it is closely tailored to the renewable mandate and does not conflate RPS costs with reduced bills from energy-efficiency mandates. Moreover, our fully documented and transparent model is dynamic, showing changes over time, and does not rely on a static input-output analysis.[8]

Dynamic economic models are better suited than static input-output models for assessing the potential economic impacts of policies like RPS. Input-output models fail to account correctly for behavioral changes such as the effects that a price increase has on electricity demand and total output -- especially in energy-intensive industries.[9] In other words, static input-output models incorrectly assume that green jobs will be created without taking resources away from other, non-green sectors of the economy. In theory, however, the increase in electricity prices caused by the RPS should force job losses and reductions in hiring growth in other sectors that do not receive the benefits of the mandate -- and our findings confirm that theory. Thus, unlike other studies, our analysis accounts for economic realities like higher electricity prices and non-green sector layoffs rather than assuming or wishing them away.

Before concluding, I would like to highlight a problem with the current and proposed wind turbine setback rules. The current rule restricts the wind energy industry too severely. Unfortunately, House Bill 114 proposes a flawed solution to the current restrictions that will likely do further damage to property rights in Ohio.

Wind setback rules create a classic property rights conflict. Landowners have a right to place windmills on their property, but their neighbors also have a right to enjoy their own property. Unfortunately, the current setback rule -- requiring the consent of every neighbor adjacent to the proposed windmill -- fails to answer this rudimentary property law question correctly. Neighbors should not hold an absolute veto power over what other property owners may and may not do on their own land. But the proposed solution in House Bill 114

that reduces the setback distance between the windmill and the neighbors is unsatisfactory as well because it infringes upon the neighbors' right to enjoy their property free of windmills.

The answer lies in compensation. Landowners who want windmills should be required to pay their neighbors fair compensation for the windmills' effect on the neighbors' enjoyment of their property. State law should embrace and recognize the property interests of both parties -- without subjugating one to the other -- and facilitate negotiations for fair compensation that must be paid to directly affected landowners. Preserving vetoes and shrinking setbacks are well-intended, half-measures that unfortunately threaten to exacerbate the current conflict rather than resolve it.

Thank you for your time. I would be happy to answer any questions from the Committee.

[2] Joe Nichols, An Ohio Cure for the Nuclear Subsidy Contagion, *Akron Beacon Journal*/Ohio.com, July 18, 2017.

Greg R. Lawson, research fellow, The Buckeye Institute, Testimony Before the Ohio House Public Utilities Committee, "Utility Subsidies Hurt Competition and Hurt Ohio," October 3, 2017.
 Joe Nichols, An Ohio Cure for the Nuclear Subsidy Contagion, Akron Beacon Journal/Ohio.com, July

<sup>[3] 2018</sup> Fact Book: Sustainable Energy in America, Executive Summary, Bloomberg New Energy Finance and the Business Council for Sustainable Energy, February 15, 2018.

<sup>[4]</sup> Dees Stribling, Amazon Moving Ahead With Prime Air Hub at Cincinnati/Northern Kentucky International Airport, Bisnow National, May 4, 2018.

<sup>[5]</sup> EnerBlu Completes Relocation of Corporate Headquarters to Lexington, Kentucky, EnerBlu press release, May 2, 2018.

<sup>[6]</sup> Orphe Divounguy PhD., Rea S. Hederman Jr., Joe Nichols, and Lukas Spitzwieser, *Economic Research Center Analysis: The Impact of Renewables Portfolio Standards on the Ohio Economy*, The Buckeye Institute, March 3, 2017.

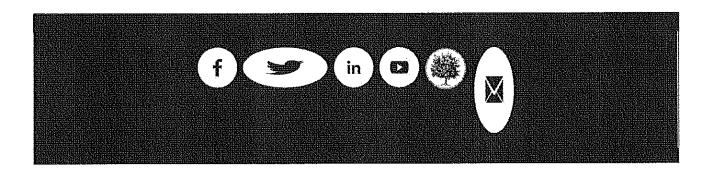
<sup>[7]</sup> REC prices likely will rise for three reasons. First, demand for RECs will grow as (1) annual compliance targets increase in states with existing RPS laws, (2) many states (e.g., New York and California) seek to increase existing or implement new RPS targets, and (3) companies (e.g., Amazon and Facebook) seek to offset more of their fossil fuel- and nuclear-generated electricity with renewables. Second, the demand for RECs will likely outpace the supply of renewable energy, causing REC prices to rise. Building new renewable generation sources greatly depends on federal tax credits and subsidies -- and the most significant of those are scheduled to sunset within the next three to seven years (i.e., 2020 for wind and 2024 for solar). With the Trump Administration in office for at least two more years, new federal support and regulations favoring renewable generation investments appear less likely.

<sup>[8]</sup> Larry Dwyer, Peter Forsyth, and Ray Spurr, "Assessing the Economic Impacts of Events: A Computable General Equilibrium Approach," *Journal of Travel Research*, Volume 45, Issue 1 (August 2006) p. 59-66.

<sup>[9]</sup> *Ibid*.

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The Buckeye Institute, 88 East Broad Street, Suite 1120, Columbus, OH 43215

Sent: Monday, June 11, 2018 2:46 PM

To: Rep48

Subject: U.S. Supreme Court Cites The Buckeye Institute's Brief in Upholding

Ohio's Election Integrity Law



Contact: Lisa Gates, Vice President of Comms

FOR IMMEDIATE RELEASE

June 11, 2018

(614) 224-3255 or Lisa@BuckeyeInstitute.org

# U.S. Supreme Court Cites The Buckeye Institute's Brief in Upholding Ohio's Election Integrity Law

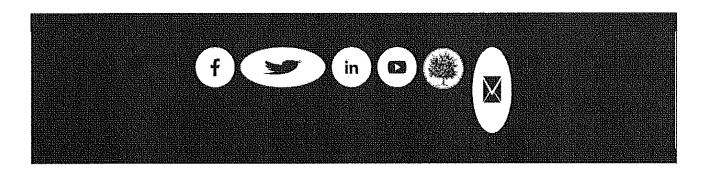
Columbus, OH -- Today, the Supreme Court of the United States upheld Ohio's authority to ensure that the votes of its citizens are not diluted by voter fraud in the court's decision in *Husted v. A. Philip Randolph Institute*. The Buckeye Institute filed an amicus brief in the case on August 7, 2017, which was cited in the Supreme Court decision.

"We have a government of the people and by the people, and today the Supreme Court validated Ohio's process to assure that the peoples' voices are not drowned out by ineligible votes," said **Robert Alt**, president and chief executive officer at The Buckeye Institute. "Today, Ohioans and all Americans won. And in citing The Buckeye Institute's brief, the Supreme Court recognized the interest of states like Ohio to be vigilant and to employ screening procedures to ensure accurate voting rolls."

Ohio's case centered around the question of whether the state has the authority to maintain an accurate and up-to-date statewide database of registered voters. In its brief, Buckeye argued that the U.S. Constitution is clear in giving states authority over voter qualifications, and Ohio has a clear interest in making sure that only residents are able to vote in its elections. To do so, the state's voter rolls must be as accurate as possible. The Supreme Court noted that Ohio's process for voter removal follows federal law "to the letter."

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The Buckeye Institute, 88 East Broad Street, Suite 1120, Columbus, OH 43215

**Sent:** Thursday, June 14, 2018 2:15 PM

To: Rep48

Subject: The Buckeye Institute: Ohio Needs to Modernize its Medicaid Program



# THE BUCKEYE INSTITUTE

Contact: Lisa Gates, Vice President of Comms

FOR IMMEDIATE RELEASE

June 14, 2018

(614) 224-3255 or Lisa@BuckeyeInstitute.org

### The Buckeye Institute: Ohio Needs to Modernize its Medicaid Program

Columbus, OH -- The Buckeye Institute's Rea S. Hederman Jr., executive director of the Economic Research Center and vice president of policy, submitted public comments to the Centers for Medicare and Medicaid Services on Ohio's work requirement waiver application. These comments follow ones Hederman submitted to the Ohio Department of Medicaid on March 16, 2018.

"Ohio's community engagement waiver application is a good start at reforming the state's Medicaid program. It meets the federal government's test of budget neutrality and follows the guidelines on how to utilize waivers to fix our health insurance market," said Rea S. Hederman Jr., executive director of the **Economic Research Center** at The Buckeye Institute and vice president of policy. "The federal government has approved bolder waivers than Ohio's, which shows that the state needs to continue to modernize its Medicaid program to protect recipients and ensure the program's future sustainability."

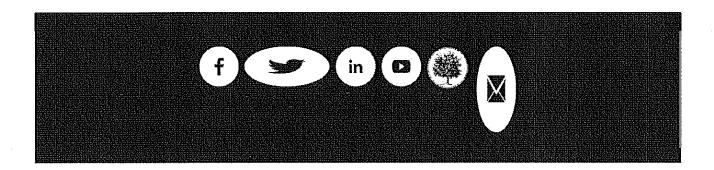
As he did in his comments on Ohio's waiver application, Hederman pointed out that Medicaid was drastically changed under the Affordable Care Act, saying, "Encouraging healthy, able-bodied adults to remain in the workforce or engage in other educational and training activities, Ohio's proposed Section 1115 waiver will enhance lifetime earnings, income, and health. By enhancing the health of the covered Medicaid enrollees, Ohio's proposed waiver meets the twin goals of the waiver demonstration project by promoting economic stability and improving health."

Hederman is a nationally recognized expert in health care policy. He was one of the first to propose using section 1332 waivers as a way to allow states to waive parts of the law and take back the ability to regulate their insurance markets. Hederman, and co-author Dennis G. Smith, outlined this approach in the report *Returning Health Care Power to the States*. More recently, in *Federal Efforts to Stabilize ACA Individual Markets through State Innovation*, a study for the Mercatus Center at George Mason University, Hederman and Doug Badger with the Galen Institute argue that Congress and the administration should empower states to devise new ways to make health insurance more affordable for more people.

#### ###

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The Buckeye Institute, 88 East Broad Street, Suite 1120, Columbus, OH 43215

Sent: Friday, June 15, 2018 10:37 AM

To: Rep48

Subject: The Buckeye Institute: Ohio Shows Strong Signs of Recovery



### THE BUCKEYE INSTITUTE

Contact: Lisa Gates, Vice President of Comms

FOR IMMEDIATE RELEASE June 15, 2018

(614) 224-3255 or Lisa@BuckeyeInstitute.org

### The Buckeye Institute: Ohio Shows Strong Signs of Recovery

Columbus, OH -- Andrew J. Kidd, Ph.D., an economist with The Buckeye Institute's Economic Research Center, commented on newly released employment data from the Ohio Department of Job and Family Services (Click here to download the audio file).

"For five straight months, Ohio's labor market has continued to show strong signs of recovery from the Great Recession. Since October 2016, Ohio's unemployment rate has fallen or remained steady and was 4.3 percent in May 2018. Despite the national unemployment rate falling to 3.8 percent, Ohio's labor force participation rate (62.8) was slightly higher than the national rate (62.7), showing a strengthening labor force, which continues to see job seekers finding good paying jobs. All of this shows positive signs for Ohioans.

"With 20,100 new non-farm, private-sector jobs added this month, Ohio's workforce has added more than 58,000 jobs this year alone. While construction jobs were a large component of this growth (12,900 jobs), manufacturing had the least growth, and could be harmed further by the Trump Administration's recently implemented tariffs. These protectionist policies have shown to hurt local economies and Ohio's national lawmakers need to ensure Ohioans in these industries are not harmed by such isolationist policies.

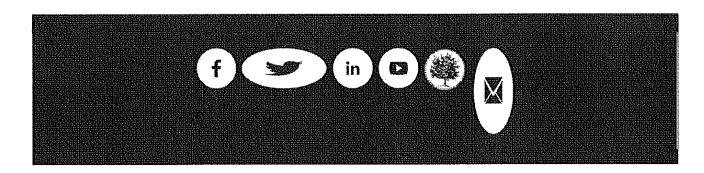
"Governor Kasich's tax cuts and policies, combined with the recently implement federal tax reform, have exhibited positive effects on Ohio's economy with a falling unemployment

rate and strong job growth. These pro-growth policies, designed for both Ohio's workers and producers, will continue this trend and bring economic prosperity to the Buckeye State."

#### ###

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The Buckeye Institute, 88 East Broad Street, Suite 1120, Columbus, OH 43215

**Sent:** Friday, June 15, 2018 1:02 PM

To: Rep48

Subject: ICYMI: Rea Hederman Writes in The Hill about the Slow Pace of Change

Coming out of Washington



# THE BUCKEYE INSTITUTE

In *The Hill*, Buckeye's Rea S. Hederman Jr. looks at the slow pace of change coming out of Washington on health care reform, writing, "[The] administration is not ready to cooperate and work with the states to find innovative solutions to a problem that the states didn't create."

# THEMHLL

States must hold Trump to his word on working with them to solve ObamaCare

The Hill By Rea S. Hederman Jr. June 14, 2018

On the very day he was inaugurated, President Trump issued his first executive order directing all federal agencies to cooperate with and "provide greater flexibility to States" as they looked for ways to stop the premium pains of Obamacare. So far, 500 days later, that order has yet to be followed.

Sure, Secretary of Health and Human Services Tom Price and the administrator of the Centers for Medicare and Medicaid Services Seema Verma promptly called for innovative solutions and promised to work with states to numb the pain that Obamacare continues to inflict on health care markets. But actions always speak louder than words and, thus far at least, federal action has denied or delayed most of the state innovation waivers requested under Section 1332 of the Affordable Care Act.

Most recently, for example, HHS denied Ohio's waiver request to exempt Ohioans from Obamacare's individual mandate to buy health insurance. Ohio acknowledged that the penalty for violating the mandate will be \$0 in 2019, but it rightly worries that so long as the mandate remains the law the tax penalty could be reinstated. Ohio's application followed the HHS blueprint for innovation waivers, but HHS denied the state's request because it did not "describe the reason for the waiver request."

This most recent denial should concern every state for two reasons. First, because **Ohio** did in fact give its reason for the waiver, stating several times that it was needed because the individual mandate remained federal law even though new legislation had "zeroed out" the penalty. Perhaps the agency did not find Ohio's straightforward explanation "descriptive" enough. And second, because HHS took 45 days to deny Ohio's request on what amounts to a technicality after HHS failed to tell applicants that descriptive explanations must be submitted in precise ways in particular boxes on federal forms. Those 45 days for a pro-forma rejection letter are symptomatic of an agency that routinely takes the entire 225-day approval period to *deny* state applications.

Both concerns signal that despite the President's directive, his administration is not ready to cooperate and work with the states to find innovative solutions to a problem that the states didn't create. And both signal more of the same technocratic, bureaucratic thinking that we have come to expect from Washington -- and that's a shame.

Fortunately, there is still time for the Trump Administration to learn from nascent mistakes and for the states to hold the President to his word on working with them to solve the riddle of Obamacare.

Right now, states are reluctant to pitch their innovative reform ideas to Washington given how Washington has treated them. But assuming that HHS and the Treasury Department actually want to empower the states and will entertain the bold ideas, the administration can still take several steps in the right direction starting with rescinding or substantially revising the Obama-era guidance on Section 1332 waivers.

The Obama Administration's crabbed view of federal-state cooperation produced guidance that discourages states from pursuing meaningful reform under Section 1332. Rewriting that guidance with a more expansive view is long overdue. The Trump Administration's revised guidance should add flexibility to HHS's interpretation of Section 1332, and it should actually follow the plain text of the Affordable Care Act that specifically allows states to combine Medicaid and innovation waivers so that they can find more effective ways for citizens to get better health care coverage as they leave Medicaid. Short of this, Mr. Trump's HHS can and should at least layout more detailed model innovation waivers, similar to the **model reinsurance waiver** it provided, for states to follow.

Just hours after taking the oath of office, President Trump wrote a new prescription for state and federal officials to follow in the fight for health care reform. Unfortunately, more than a year later, that prescription remains unfilled by the President's own team, denying the country at least one source of medicine that it desperately needs.

Rea S. Hederman Jr. is executive director of the Economic Research Center at The Buckeye Institute and vice president of policy. He is the co-author of Returning Health Care Power to the States and Federal Efforts to Stabilize ACA Individual Markets through State Innovation.

#### ###

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### The Buckeye Institute, 88 East Broad Street, Suite 1120, Columbus, OH 43215

Sent: Tuesday, June 19, 2018 10:01 AM

To: Rep48

Subject: The Buckeye Institute: Ohio Needs to Undertake Comprehensive Tax

Reform, Not Pass New Taxes



Contact: Lisa Gates, Vice President of Comms

FOR IMMEDIATE RELEASE

June 19, 2018

(614) 224-3255 or Lisa@BuckeyeInstitute.org

### The Buckeye Institute: Ohio Needs to Undertake Comprehensive Tax Reform, Not Pass New Taxes

Greg Lawson Submits Testimony to the Ohio House Ways and Means Committee

Columbus, OH -- The Buckeye Institute's Greg R. Lawson submitted written testimony (see full text below or download a PDF) to the Ohio House Ways and Means Committee on House Bill 571.

In his testimony, Lawson outlined the benefits of online travel companies (OTC) in providing "an online service that customers and hotel operators may use as they see fit to meet their own shopping and business needs." However, as Lawson noted, "House Bill 571 threatens to interfere with this free-market process by extending the reach of local lodging taxes to include the OTCs' service fees," which, Lawson noted, courts in 39 cases in 23 states ruled could not be taxed as hotel occupancy taxes.

Rather, Lawson encouraged Ohio undertake comprehensive tax reform writing, "As tempting as House Bill 571 may be for some revenue collectors, Ohio must be careful not to allow or encourage local governments to impose harmful new -- and in this case, illegal -- taxes apart from a more balanced and comprehensive tax reform effort."

# Interested Party Testimony on House Bill 571 Submitted to the Ohio House Ways and Means Committee

### Greg R. Lawson, Research Fellow The Buckeye Institute June 19, 2018

Chairman Schaffer, Vice Chair Scherer, Ranking Member Rogers, and members of the Committee, thank you for the opportunity to offer written comments today regarding House Bill 571.

My name is Greg R. Lawson. I am the research fellow at **The Buckeye Institute**, an independent research and educational institution -- a think tank -- whose mission is to advance free-market public policy in the states.

Online travel companies — or OTCs — such as **Hotel.com** and Expedia facilitate transactions for consumers looking to book hotel rooms online. These companies make it easier to find and secure lodging options by making those options available at a one-stop website location where consumers can search for the best deal and book a room, rather than scouring the internet for individual hotel rates and availability on individual hotel websites.

OTCs provide an online service that customers and hotel operators may use as they see fit to meet their own shopping and business needs. Nothing compels hotels to use OTCs, they choose to do so voluntarily because they believe that it will increase their exposure, reach more customers, and lead to more bookings. In short, they believe that it helps their business prosper and many smaller, non-chain hotels use OTCs precisely for this reason, because OTCs provide a critical service that boosts their room sales.

Unfortunately, House Bill 571 threatens to interfere with this free-market process by extending the reach of local lodging taxes to include the OTCs' service fees.

Typically, customers who book rooms through an OTC will pay the same amount for their room as customers who book directly through a hotel website. The actual room rates that hotels receive for bookings made through an OTC, however, are generally lower than what the hotel would receive on rooms booked directly. The OTC keeps the difference — effectively charging the hotel a service fee for facilitating the booking.

Local governments assess sales and lodging taxes based upon the actual room rates that hotels receive, not the prices paid by customers. Consequently, local governments collect less total tax on rooms booked through an OTC than they would on the same rooms booked

directly through the hotel. House Bill 571 would expand the local sales and lodging taxes to include an OTC's service fee.

It is not hard to understand that House Bill 571 could be attractive to local governments eager to collect more taxes, but the bill has at least one fatal flaw.

As proposed, House Bill 571 would assess a lodging tax on a service fee. Such taxes have already been held illegal in multiple cases across multiple jurisdictions. As the Legislative Service Commission has explained, the United States Court of Appeals for the Sixth Circuit -- with federal jurisdiction over Ohio -- has twice ruled that localities cannot impose lodging taxes on OTCs.[1] Other courts have made similar rulings recently in Texas and Illinois,[2] and as of early 2016, courts in 39 cases in 23 states had concluded that OTC services could not be taxed as hotel occupancy taxes.[3]

Furthermore, House Bill 571 would also apply a sales tax to OTC service fees. The Buckeye Institute remains open to discussing sales taxes on services as part of a comprehensive tax reform that would include eliminating the state personal income tax,[4] as well as other appropriate offsets that will make Ohio's tax system fairer, simpler, and more transparent.[5] Merely taxing OTC service fees without other comprehensive tax reforms would be nothing more than a selective tax increase imposed on only one service industry, and it would threaten to hurt profits, sales, and jobs.

Ohio's taxes are already too high, with an average combined state and local tax rate standing at more than seven percent.[6] Some Ohioans pay even higher combined rates in some communities where tax rates approach 10 percent[7] -- a level one might expect in high-tax states like New York.[8] High tax rates have real world consequences for workers, businesses, and states. As the Tax Foundation has demonstrated, people and jobs do in fact migrate from high-tax states to low-tax states -- and that migration will inevitably cost Ohio workers, businesses, and future economic opportunities.[9] Simply adding new taxes on services will not lighten Ohio's already burdensome tax load.

As tempting as House Bill 571 may be for some revenue collectors, Ohio must be careful not to allow or encourage local governments to impose harmful new -- and in this case, illegal -- taxes apart from a more balanced and comprehensive tax reform effort.

Thank you for the opportunity to submit this testimony.

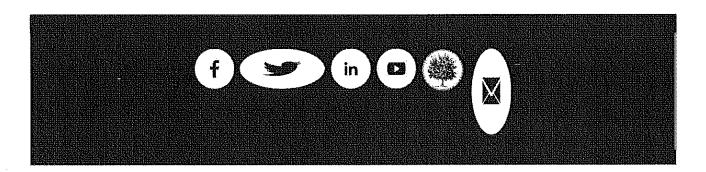
<sup>[1]</sup> Mackenzie Damon, House Bill 571 Bill Analysis, Legislative Service Commission, 2018.

- [2] Paul Stinson, Online Travel Companies Prevail in \$84 Million Texas Tax Dispute, Bloomberg Bureau of National Affairs, November 30, 2017.
- [3] Joseph Bishop-Henchman, Litigation Ongoing Against Online Travel Companies for Hotel Occupancy Taxes, The Tax Foundation, February 17, 2016.
- [4] Greg R. Lawson, research fellow, The Buckeye Institute, Testimony Before the Ohio House Ways and Means Committee, March 15, 2015.
- [5] Rea Hederman Jr., Tom Lampman, Greg R. Lawson, and Joe Nichols, *Tax Reform Principles for Ohio*, The Buckeye Institute, February 2, 2015.
- [6] Jared Walczak and Scott Drenkard, State and Local Tax Rates 2018, The Tax Foundation, February 13, 2018.
- [7] Morgan Scarboro, Scott Drenkard, and Rea S. Hederman Jr., *Ohio Illustrated: A Visual Guide to Taxes and the Economy*, The Tax Foundation and The Buckeye Institute, June 2017.
- [8] *Ibid*.
- [9] State to State Migration Data, The Tax Foundation (Last visited June 14, 2018).

#### ###

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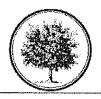
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Sent: Tuesday, June 26, 2018 10:53 AM

To: Rep48

Subject: Policies in HB189 Confront Ohio's Onerous Occupational Licensing

Burdens



# THE BUCKEYE INSTITUTE

### Policies in House Bill 189 Confront Ohio's Onerous Occupational Licensing Burdens

The policies in House Bill 189 are simple, straightforward, and confront Ohio's onerous occupational licensing burdens. While some licensing may be needed to ensure public safety, too often they require workers to ask the government for a permission slip to earn a living. Such is the case for cosmetologists.

Today, Ohio cosmetologists must complete 1,500 hours of training to be licensed. That is 250 hours more training than their peers in Pennsylvania and 500 more hours than hairdressers in New York. The onerous training required for Ohio's cosmetologists is even more ridiculous when compared to the 150 hours of training required to be a state certified Emergency Medical Technician (EMT). With Ohio law currently requiring cosmetologists to have 10 times the training of basic EMTs, the need for licensing reform doesn't get much clearer.

The policies in House Bill 189 merely reduce the burden from 1,500 hours to 1,000 hours of education, which is in line with fashion-centric New York.

As The Buckeye Institute's Quinn Beeson noted in *The Columbus Dispatch*:

"Becoming a cosmetologist gives women and minorities - who compose the overwhelming majority of those in the industry - control over their own lives. That is why opposition to removing barriers for these people is so misguided.

"It is shocking that opponents of reform, mostly for-profit schools, want to stop young people from getting hired more quickly while heaping mounds of debt on their shoulders and crushing their opportunities."

I have provided interested party testimony on House Bill 189, and Buckeye has also researched the occupational licensing problem overall in *Forbidden to Succeed: How Licensure Laws Hold Ohioans Back* and *Still Forbidden to Succeed: The Negative Effects of Occupational Licensing on Ohio's Workforce.* 

It is time to stop making Ohio less competitive, less prosperous, and less attractive to entrepreneurs and their employees. Too many licensing requirements only make finding a job more difficult. Every unnecessary license is a red-taped hurdle that must be cleared. As Beeson notes, "It is ridiculous that it takes longer to be a cosmetologist in Ohio than it would to work for a celebrity salon such as the Warren-Tricomi Salon located in the Plaza Hotel in New York City."

Greg R. Lawson
Research Fellow
The Buckeye Institute
Greg@BuckeyeInstitute.org

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### The Buckeye Institute, 88 East Broad Street, Suite 1120, Columbus, OH 43215

Sent: Wednesday, June 27, 2018 10:47 AM

To: Rep48

Subject: The Buckeye Institute: Reducing Ohio's Regulatory Burden Would Boost

the Economy and Grow Jobs



Contact: Lisa Gates, Vice President of Comms

FOR IMMEDIATE RELEASE

June 27, 2018

(614) 224-3255 or Lisa@BuckeyeInstitute.org

# The Buckeye Institute: Reducing Ohio's Regulatory Burden Would Boost the Economy and Grow Jobs

Greg Lawson Testifies Before the Ohio Senate Transportation, Commerce, and Workforce Committee

Columbus, OH -- The Buckeye Institute's Greg R. Lawson testified today (see full text below or download a PDF) before the Ohio Senate Transportation, Commerce, and Workforce Committee on Senate Bill 293.

In opening his testimony, Lawson recognized the importance of regulations that protect public health and safety, but pointed out that "Ohio desperately needs regulatory reform that eliminates unnecessary regulations that strangle private industry and enterprise as part of the state's broader reform efforts to boost economic growth."

Highlighting Ohio's onerous occupational licensing regime as a good place to begin reducing Ohio's regulatory burden, Lawson noted that the licensing requirements of professions such as auctioneers, travel guides, hairdressers, and flower arrangers, to name a few, do little-to-nothing to protect public health and safety, but add to Ohio's regulatory burden and Ohio's "economy and citizens suffer for it."

Lawson noted that Buckeye's research on occupational licensing and forced government energy mandates has shown the negative impact and economic trade-offs over regulation

has on job creation, stating, "Ohio must also reexamine government mandates that interfere with market-pricing and make goods artificially more expensive for businesses. Such interference ultimately leads to slower job growth as businesses curtail hiring and wages in order to offset the artificially higher costs created by the mandates."

In closing, Lawson praised the Senate's efforts to "develop a meaningful process to methodically and thoughtfully reduce regulatory restrictions and burdens on all Ohioans."

#### ###

# Interested Party Testimony on Senate Bill 293 Before the Ohio Senate Transportation, Commerce, and Workforce Committee

### Greg R. Lawson, Research Fellow The Buckeye Institute June 27, 2018

Chairman LaRose, Vice Chair Kunze, Ranking Member Schiavoni, and members of the Committee, thank you for the opportunity to testify today regarding the need for regulatory reform in Ohio and Senate Bill 293.

My name is Greg R. Lawson. I am the research fellow at **The Buckeye Institute**, an independent research and educational institution -- a think tank -- whose mission is to advance free-market public policy in the states.

The Buckeye Institute applauds the Senate for taking up regulatory reform in an effort to cut bureaucratic red tape. Ohio desperately needs regulatory reform that eliminates unnecessary regulations that strangle private industry and enterprise as part of the state's broader reform efforts to boost economic growth. If Ohio does not focus its regulations and rules on protecting the public from genuine harm, the state will continue to see slow growth and low prosperity.

Some regulations, of course, are essential for preserving public health and safety. No one wants doctors using unsterilized medical equipment, or inadequately trained engineers designing bridges, or toxic chemicals polluting our soil and waterways. Requiring appropriate education and training for physicians, healthcare providers, pilots, and truck drivers helps safeguard the general public in our hospitals and on our roads and runways. But the same cannot be said with respect to auctioneers, travel guides, and hairdressers—all currently subject to Ohio's byzantine and overly restrictive licensing requirements.

Occupational licensing restrictions present a growing problem at both the state and national level. In 2008, nearly 30 percent of the U.S. workforce was required to hold a license in order to go to work.[1] In 1970, that number was only 10 percent.[2] But even as the scope of occupational licensure has expanded, it is unclear that such licensure has added much value to or improved the quality of goods and services. Studies have shown, for example, that stricter licensure requirements have had little effect on the quality of care provided by dentists[3] or on the quality of service offered by flower arrangers.[4] That dentists are subject to licensing requirements is not troubling or surprising, but that flower arranging should require the state's permission slip is -- which makes the lack of any noticeably improved quality all the more concerning.

And although some occupational licensing does indeed provide the public with some residual benefit, that benefit is not without cost. Expansive licensing schemes costs the community jobs.

Professor Morris Kleiner testified before the U.S. Senate Judiciary Committee that his research concluded that licensing laws cost between a half and one percent of jobs nationally in 2010.[5] Those seemingly small percentages amount to tens of thousands of unborn jobs across America that never came into existence -- a claim bolstered by research out of the Brookings Institute's Hamilton Project revealing that stringent licensing requirements result in fewer providers of the services subject to the requirements.[6] Fewer providers means fewer employers and fewer available jobs.

Perhaps unsurprisingly, given Professor Kleiner's findings, the Obama Administration released a detailed report in 2015 calling for nationwide reforms to occupational licensing.[7] Echoing bipartisan support for such measures, the Trump Administration's Secretary of Labor has since recognized that:

"Americans want principled, broad-based reform. If licenses are unnecessary, eliminate them. If they are needed, streamline them. And, if they are honored by one state, consider honoring them in your own state. Americans looking to enter the workforce deserve no less than our most ardent efforts to remove regulatory barriers so that they can have a job."[8]

Ohio, unfortunately, continues to contribute to the nation's licensing crisis -- and its economy and citizens suffer for it.

The Buckeye Institute's report, Forbidden to Succeed: How Licensure Laws Hold Ohioans Back, showed not only that Ohio's licensing burdens are more stringent than the national average, but also that nearly every Ohio license that requires training can be earned in less

time in another state. [9] Our subsequent study, Still Forbidden to Succeed: The Negative Effects of Occupational Licensing on Ohio's Workforce, confirmed the disturbing and stubborn fact that Ohio's licensing requirements erect higher barriers to employment for those most in need of quality jobs: middle-aged and low-income workers, and those without a college degree. [10]

Our macroeconomic dynamic model, developed by economists at The Buckeye Institute's Economic Research Center, revealed that Ohio's licensing requirements have prevented more than 7,000 people between the ages of 25-45 from pursuing licensed occupations, and have discouraged people from migrating to Ohio to enter the job market. The model also showed that high licensing costs keep workers from good-paying professions, and suggests that without such costs more workers would find employment.[11]

Consider Jennifer McClellan. A new mother, a long-time professional, and a licensed massage therapist, Ms. McClellan tried moving back to Ohio to be closer to her family, but the Ohio State Medical Board denied her license application because she was 10 days shy of the state's training requirements.[12] The board unduly discounted years of training and work experience, and would not honor the license she had already earned in Minnesota.

Ms. McClellan is not alone. Ohio cosmetologists, for example, must complete 250 more hours of training than their peers in Pennsylvania and 500 more hours than hairdressers in New York.[13] Such onerous cosmetology training requirements become laughable when compared to the 150 hours of training required to be a state certified Emergency Medical Technician (EMT).[14] Requiring cosmetologists to have 10 times the training of basic EMTs, makes the case for licensing reform as clear as can be.

Beyond occupational licensing reform, Ohio must also reexamine government mandates that interfere with market-pricing and make goods artificially more expensive for businesses. Such interference ultimately leads to slower job growth as businesses curtail hiring and wages in order to offset the artificially higher costs created by the mandates. Ohio's Renewable Portfolio Standard (RPS), for example, has a very limited effect on public safety, but a tragically negative effect on job creation and employment.[15]

Advocates of Ohio's RPS requirements assured that the standard would create jobs while making the environment cleaner and healthier. Unfortunately, as The Buckeye Institute's research has shown, the RPS actually results in fewer jobs across the state.[16] Using a realistic scenario, our dynamic macroeconomic model estimated that Ohio's current RPS could mean as many as 63,000 *fewer* jobs in Ohio by 2022.[17] Using even more conservative assumptions, the study estimated that the RPS will cost more than 25,400 people employment by 2022.[18] Renewable energy will undoubtedly play a larger role in

the state and national energy mix, but Ohio's mandates make energy prices higher today and create significant red-tape hurdles for manufactures who are forced to spend more money to meet their energy needs and less on hiring.

Other academic research supports our concerns about the dire impact that regulations have on job creation. The Regulatory Studies Center at George Washington University, for instance, has noted that most empirical analyses find that regulation has a negative effect on entrepreneurship,[19] which should concern lawmakers because research also shows that first-year entrepreneurial start-ups have historically been net job creators even as existing businesses are net job destroyers.[20] Thus, regulations that harm entrepreneurship, harm job growth.

The Ohio Senate's more recent steps to improve the state's regulatory environment, such as Senator Uecker's Senate Bill 221 allowing the Joint Committee on Agency Rule Review to conduct more immediate reviews of rules and their effects, and Senator McColley's Senate Bill 255 reforming Ohio's occupational licensing regime, are steps in the right direction.

Senate Bill 293 builds upon those efforts by requiring state agencies to review their existing rules and identify those rules that have regulatory restrictions that include the words "shall," "must," "require," "shall not," "may not," and "prohibit." When the Mercatus Center at George Mason University studied the use of these regulatory words and corresponding restrictions across multiple states, it concluded that Ohio compares poorly.[21] Despite some methodological limitations, the Mercatus Center study offers a rough quantification of the regulatory burden that the Ohio Administrative Code imposes on Ohioans.[22] Senate Bill 293 makes good use of the Mercatus study by requiring every state agency to take a closer look at its existing restrictions and then requiring them to prepare a base inventory of those restrictions in order to begin limiting and reducing their numbers.

Canada's British Columbia adopted a similar policy creating a regulation inventory and then capping the maximum allowable regulatory restrictions. [23] Since 2001, British Columbia has reduced its regulatory restrictions by nearly 50 percent -- and without endangering public safety. [24]

A comprehensive inventory of agency restrictions will give policymakers a clearer picture of where the state's bureaucratic red tape truly lies; and a cap on regulatory restrictions will compel agencies and the General Assembly to carefully consider and prioritize any new restriction proposed. Senate Bill 293 advances the Senate's yeoman's effort to develop a meaningful process to methodically and thoughtfully reduce regulatory restrictions and burdens on all Ohioans.

Thank you for your time and consideration. I welcome any questions that the Committee might have.

[1] Morris M. Kleiner, *Occupational Licensing: Protecting the Public Interest or Protectionism?*, W.E. Upjohn Institute for Employment Research, July 2011.

[2] *Ibid*.

[3] Morris M. Kleiner and Robert T. Kudrle, Does Regulation Affect Economic Outcomes?: The Case of Dentistry, working paper, National Bureau of Economic Research, January 1997.

[4] Dick M. Carpenter, Blooming Nonsense: Licensure and Consumer Protection, Regulation, Spring 2011, Volume 34 Issue 1, p. 44-47.

[5] Morris M. Kleiner, License to Compete: Occupational Licensing and the State Action Doctrine, Testimony before the U.S. Senate Committee on the Judiciary, Subcommittee on Antitrust, Competition Policy, and Consumer Rights, February 2, 2016.

[6] Morris M. Kleiner, Reforming Occupational Licensing Policies, The Hamilton Project, March 2015.

[7] The White House, Occupational Licensing: A Framework for Policymakers, July 2015.

[8] Secretary of Labor Alexander Acosta, Speech before the 44th Annual Meeting of the American Legislative Exchange Council, U.S. Department of Labor, July 21, 2017.

[9] Tom Lampman, Forbidden to Succeed: How Licensure Laws Hold Ohioans Back, The Buckeye Institute, November 18, 2015.

[10] Orphe Pierre Divounguys, PhD, Bryce Hill, and Greg R. Lawson, Still Forbidden to Succeed: The Negative Effects of Occupational Licensing on Ohio's Workforce, The Buckeye Institute, December 18, 2017.

[11] *Ibid*.

[12] Greg R. Lawson, Goodbye, Ohio. A Talented Massage Therapist Forced to Leave State Because of Crazy Licensing Rules, The Buckeye Institute, February 29, 2016.

[13] Ohio Revised Code §4713.28.

[14] Ohio Administrative Code §4765-15-05.

[15] Orphe Divounguy, PhD., Rea S. Hederman, Jr., Joe Nichols, and Lucas Spitzwieser, *The Impact of Renewable Portfolio Standards on the Ohio Economy*, The Buckeye Institute, March 3, 2017.

[16] Greg R. Lawson, research fellow, The Buckeye Institute, Testimony Before the Ohio Senate Energy and Natural Resources Committee, June 6, 2018.

[17] Ibid.

[18] *Ibid*.

[19] Ana Maria Zarate Moreno, Regulation, Innovation, and Entrepreneurship: A Review of the Literature, Regulatory Studies Center, George Washington University, December 8, 2015.

[20] Tim Kane, *The Importance of Startups in Job Creation and Job Destruction*, Ewing Marion Kaufman Foundation, September 9, 2010.

[21] James Broughel and Jonathan Nelson, A Snapshot of Ohio Regulation in 2018, Mercatus Center, February 26, 2018.

[22] The Mercatus study counts all restrictive words but does not distinguish between those restrictions that apply to Ohio citizens or businesses from those that apply to state agency actions and thus might actually prove beneficial. The study also does not distinguish between rules that are imposed strictly by the state from those that incorporate federally imposed mandates.

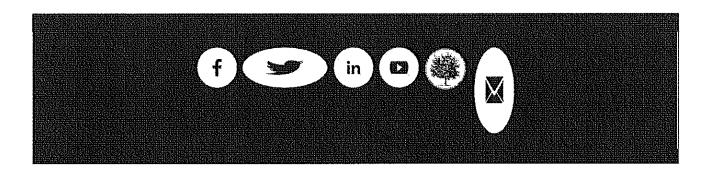
[23] Regulatory and Service Improvement BC: How We Count, Province of British Colombia (Last visited June 25, 2018).

[24] Ministry of Small Business and Red Tape Reduction and Responsible for the Liquor Distribution Branch, Achieving a Modern Regulatory Environment: B.C.'s Regulatory Reform Initiative, Province of British Colombia, 2017.

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The Buckeye Institute, 88 East Broad Street, Suite 1120, Columbus, OH 43215

Sent: Wednesday, June 27, 2018 1:05 PM

To: Rep48

Subject: The Buckeye Institute's President and CEO Robert Alt: Janus v. AFSCME

Decision a Victory for Workers and First Amendment



Contact: Lisa Gates, Vice President of Comms

FOR IMMEDIATE RELEASE

June 27, 2018

(614) 224-3255 or Lisa@BuckeyeInstitute.org

### The Buckeye Institute's President and CEO Robert Alt: Janus v. AFSCME Decision a Victory for Workers and First Amendment

**Columbus, OH** -- **Robert Alt**, president and chief executive officer of **The Buckeye Institute**, issued the following statement on the U.S. Supreme Court's decision in *Janus v. AFSCME*.

"The Supreme Court today in *Janus v. AFSCME* announced its basic rule of human decency and common sense: consent matters-and our hardworking public-sector workers can no longer be forced to pay for political speech or other activities without their affirmative consent."

The Buckeye Institute also announced the launch of its **WorkersChoose.org** website to assist public-sector workers with information about how to notify their unions about whether they would like to consent or not.

###

#### Related Content:

Robert Alt Statement Following Oral Arguments in *Janus v. AFSCME*, February 26, 2018

The Money Behind Janus: It's Deja vu All Over Again, By Robert Alt, *National Review*, February 26, 2018

Robert Alt Statement: Unions Should Rally Behind the First Amendment Rights of All Public Employees, February 24, 2018

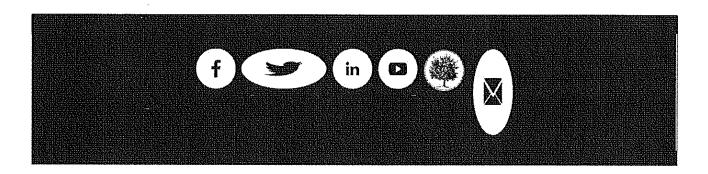
The Buckeye Institute Files Amicus Brief in Janus Case, December 6, 2017 It's Time for Public Sector Workers to be Given a Voice and Choice, By Robert Alt, Forbes, November 27, 2017

Supreme Court Takes Up *Janus v. AFSCME*, September 28, 2017 The Buckeye Institute Files Amicus Brief in *Janus v. AFSCME* Supporting Free Speech, July 20, 2017

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The Buckeye Institute, 88 East Broad Street, Suite 1120, Columbus, OH 43215

Sent: Wednesday, June 27, 2018 4:02 PM

To: Rep48

Subject: The Buckeye Institute: Policies in SB66 Will Help Ohioans Rebuild Their

Lives



Contact: Lisa Gates, Vice President of Comms

FOR IMMEDIATE RELEASE

June 27, 2018

(614) 224-3255 or Lisa@BuckeyeInstitute.org

# The Buckeye Institute: Policies in SB66 Will Help Ohioans Rebuild Their Lives

Columbus, OH -- Daniel J. Dew, legal fellow at The Buckeye Institute's Legal Center, issued the following statement on the passage of Senate Bill 66, sponsored by senators John Eklund (R-18) and Charleta Tavares (D-15). The bill now awaits Governor John Kasich's signature.

"Today, with the passage of Senate Bill 66, Ohio took another step forward to help our fellow citizens rebuild their lives. These new policies will help Ohioans, who have committed low-level offenses and often suffer from addiction or mental health issues, get the treatment they need, and, after repaying their debt to society, will enable them to remove the modern-day scarlet letter of a criminal record that is a barrier to employment, housing, and education," said Daniel J. Dew, legal fellow at The Buckeye Institute's **Legal Center**. "Thanks to the hard work and dedication of senators Eklund and Tavares, Senate President Larry Obhof (R-22), as well as Representative Nathan Manning (R-55), more Ohioans will have the ability to provide for themselves and their families."

Among other things, Senate Bill 66 changes the purposes of criminal sentencing to include rehabilitation, expands opportunities for defendants to be placed in treatment programs, and gives judges more discretion to seal criminal records for people who have shown a commitment to staying on the straight and narrow.

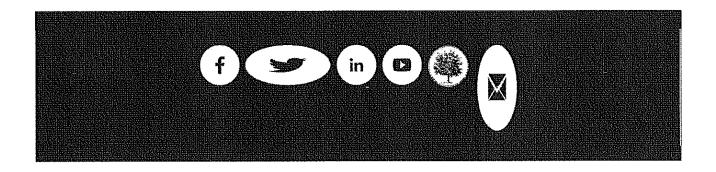
"I want to thank The Buckeye Institute for its help in the process. With Sub. Senate Bill 66 Ohio takes significant, purposeful steps forward in our efforts to promote the rehabilitation of offenders and their reintegration into society," said Senator John Eklund, one of the bill's primary sponsors. "Many offenders clearly need treatment more than they need prison, and can be more effectively punished and rehabilitated in alternative corrections facilities."

Eklund continued, "By expanding the availability of alternatives to prison, promoting treatment for those who need it, and broadening opportunities for ex-offenders to have their records sealed, this bill will reduce costs and recidivism, and enhance the role our criminal justice system plays in keeping us safe while ensuring a just society."

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The Buckeye Institute, 88 East Broad Street, Suite 1120, Columbus, OH 43215

**Sent:** Wednesday, June 27, 2018 4:14 PM

To: Rep48

Subject: The Buckeye Institute: Licensing Reform Policies in SB 255 Benefit Ohio

Workers



Contact: Lisa Gates, Vice President of Comms

FOR IMMEDIATE RELEASE

June 27, 2018

(614) 224-3255 or Lisa@BuckeyeInstitute.org

# The Buckeye Institute: Licensing Reform Policies in SB 255 Benefit Ohio Workers

Columbus, OH -- The Buckeye Institute issued the following statement following the passage of Senate Bill 255.

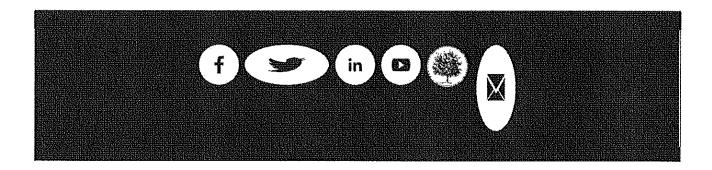
"Today the Ohio Senate took a major step forward in addressing Ohio's burdensome occupational licensing regime. By moving forward with the policies in Senate Bill 255 the General Assembly is strengthening the tools available to ensure licenses are the least restrictive while fully ensuring public safety," said Greg R. Lawson, research fellow at The Buckeye Institute. "It is time to stop making Ohio less competitive, less prosperous, and less attractive to entrepreneurs and their employees. Too many licensing requirements only make finding a job more difficult for those who can least afford it."

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The Buckeye Institute, 88 East Broad Street, Suite 1120, Columbus, OH 43215

**Sent:** Monday, July 2, 2018 12:15 PM

To: Rep48

Subject: ICYMI: Buckeye's Robert Alt Looks at the Impact of Janus in The

Columbus Dispatch & The Hill



### THE BUCKEYE INSTITUTE

Following last week's Supreme Court ruling in *Janus v. AFSCME*, Robert Alt, president and chief executive officer at The Buckeye Institute, looked at what the ruling means for Ohio's public employees and government unions in *The Columbus Dispatch* (complete piece below).

Alt also had a piece in *The Hill*, where he wrote, "Consent matters. But you don't have to take my word for it -- just ask the Supreme Court of the United States. In *Janus v*. *AFSCME*, the Court's five-member majority held that the First Amendment protects public-sector employees -- including petitioner Mark Janus -- from being compelled 'to subsidize private speech on matters of substantial public concern' without prior affirmative consent."

Read the full Hill piece here.

# The Columbus Dispatch

Janus decision protects workers who dissent from union

The Columbus Dispatch By Robert Alt July 1, 2018 In Janus v. American Federation of State, County, and Municipal Employees, Council 31, the U.S. Supreme Court decided that public-sector workers must affirmatively consent before any money can be taken from them for union fees.

Since Wednesday's ruling, folks on both sides have unfortunately succumbed to hyperbolic overreaction. The most cursory recollection of our country's founding reminds us that the same idea of consent was integral to empowering the government in the first place. Accordingly, it should surprise precisely no one that the court was concerned with the compulsion aspect of the case's facts.

Plaintiff Mark Janus -- an ordinary child-support specialist at the Illinois Department of Healthcare and Family Services -- objected to paying mandatory union fees as a condition of his employment and lamented, "The union voice is not my voice. The union's fight is not my fight. But a piece of my paycheck every week goes to the union. I am not anti-union... But unions aren't a fit for everyone. And I shouldn't be forced to pay money to a union if I don't think it does a good job representing my interests."

The Supreme Court agreed with Janus that, indeed, consent matters. Common courtesy and basic human decency have always demanded it, but now -- in overruling its own 41-year-old precedent in *Abood v. Detroit Board of Education* -- the court found that the First Amendment requires affirmative consent when it comes to paying union fees, too.

Writing for a five-member majority, Justice Samuel Alito raised the court's objection to public employees being forced to financially support their unions, "even if they choose not to join and strongly object to the positions the union takes." Such an arrangement, Alito concluded, "violates the free speech rights of nonmembers by compelling them to subsidize private speech on matters of substantial public concern."

Unions will continue to serve their consenting members for generations to come -- only now they will do so more effectively, more efficiently and without trampling the constitutional rights of their members.

Any Ohio unions worried that *Janus* and other subsequent right-to-work laws will catalyze the end of unions and union membership can rest easy. Empirical studies and data from right-to-work states, including our neighbors Indiana and Michigan, demonstrate that even after enacting right-to-work laws, union membership not only does not suffer but often increases.

In the first full year after Indiana's right-to-work law took effect, for example, the state added 3,000 new union members. Although union membership initially fell slightly after

Michigan adopted right-to-work rules in 2013, it has since recovered, accounting for 15.6 percent of all wage and salary workers in 2017 -- up from 14.4 percent in 2016 and well above the national average of 10.7 percent.

After *Janus*, the quality of public-sector union representation inevitably will improve. Removing coercion and requiring affirmative consent will incentivize union leaders to be more responsive to the needs and desires of their union members, which will increase the value of union membership by refocusing the union's attention on increasing job satisfaction and working conditions for members.

Happier and better-served union members who have affirmatively consented to their union membership should be our shared end goal across the political spectrum.

Public-sector workers won the long-overdue right to be respected, irrespective of their individual decisions regarding union membership. And, in a nation founded upon the consent of the governed, the standard of consent adopted by the Supreme Court in *Janus* finally gives our hardworking public servants the voice and choice they have always deserved.

Robert Alt is the president and chief executive officer of The Buckeye Institute in Columbus.

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#### The Buckeye Institute, 88 East Broad Street, Suite 1120, Columbus, OH 43215

From: Gongwer News Service Sent: Friday, July 6, 2018 5:55 PM

To: Rep48

Subject: Ohio Report, Friday, July 6, 2018

Attachments: Jul6.htm; 180706dayplan.htm; Jul9Schedule.htm; 180706plan.htm



# OHIO REPORT FRIDAY, JULY 6

Payday Lending Proposal Slated For Rare Summer Action In Senate Next Week

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State Touts Mental Health Parity With Managed Care Integration Of Behavioral Services

CAUV 'On the Road To Correction' Following Budget Changes, Group Says

Ed Board Expected To Debate, Vote On Third-Grade Reading Benchmark

Rover, FERC Staff Spar Over Land Restoration, Pipeline Operations

Public Comments Continue On State, Federal Lifeline Proposals

'Sweeping' Changes In Store After Federal Regulators Reject PJM Capacity Market Plans

Agency Briefs: Hurst To Replace Plouck At ODMHAS; U.S. Unemployment Rate Up; OSHP; ODNR

Burke Blasts Cordray's Medicaid Comments; Soybean Group Sounds Tariff Alarm; Boccieri Calls For More Local Funding

Case Remanded After Judge Cites Article In Sentencing; High Court Denies Stay Of Execution; Buckeye Institute Weighs In On Case...

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Capitol Scene: Child Caring Group Updates Name

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# Volume #87, Report #130 -- Friday, July 6, 2018 Payday Lending Proposal Slated For Rare Summer Action In Senate Next Week

An expected legislative break is being cut short for the Senate as the chamber is set to return next week to continue its work considering a contentious overhaul of short-term lending laws.

The payday lending bill (HB 123) is slated for consideration by the Senate Finance Committee Monday and Tuesday, if necessary. The measure is expected to come up before the full Senate Tuesday morning.

The Finance Committee meetings are expected to be the only committee action of the week.

John Fortney, spokesman for Senate President Larry Obhof (R-Medina), said amendments are expected Monday or Tuesday.

What that language will look like remains unclear.

The committee spent much of last week hearing testimony on the measure and weighing potential changes offered by Sen. Matt Huffman (R-Lima).

Backers of the original language, which would limit fees and interest rates and require repayment to be capped at 5% of the borrower's income, balked at proposed changes in the Senate. (See Gongwer Ohio Report, June 21, 2018)

Proponents, including the Pew Charitable Trusts, voiced openness to some changes, such as increasing the allowable loan sizes and rates, that would still preserve the overarching framework. (See Gongwer Ohio Report, June 25, 2018)

Sen. Matt Dolan (R-Chagrin Falls) said this week he had prepared amendments to that effect but wasn't sure whether the committee would work from the House-passed language or from a framework outlined by Sen. Huffman.

"My amendments were directed toward 123 based on what I heard in terms of testimony and in terms of what could help within the structure of 123 to increase the costs a little bit to help out the lenders," he said in an interview.

Those discussions have included increased rates and allowable fees, including raising the limit on what a borrower can be required to pay back to perhaps as high as 10% of their income, Sen. Dolan said.

"That would obviously increase the ability for the borrower to borrow more money," Sen. Dolan said. "We're trying to find that fine line."

Supporters of the initial language have said raising the 5% income limit to perhaps 7% or 8% would be acceptable, but 10% could be too high.

Sen. Huffman's proposals would create a framework around the total costs of installment loans, limiting those to a per diem rate based on the size and duration of the loan. He has said the proposal would also cap the total principal amount a borrower could have out at any one time at \$2,500. (See Gongwer Ohio Report, June 26, 2018)

# State Touts Mental Health Parity With Managed Care Integration Of Behavioral Services

With the July 1 carve-in of behavioral health services in Medicaid into managed care, the state says it is now compliant with a 2008 federal law requiring parity for mental health and addiction services.

The departments of Medicaid and of Mental Health and Addiction Services released a report examining compliance by managed care plans in providing parity in patients' access to those services.

The state was initially scheduled to show compliance in October 2017 but received approval from federal regulators to wait until the July 1 integration of behavioral health services into managed care. (See Gongwer Ohio Report, June 28, 2018)

"That gave us the opportunity to have our implementation dates be the same as our carve-in," Medicaid Director Barbara Sears said in an interview.

The behavioral health integration is a separate effort from the work toward parity, but the state decided to have those dates coincide because of the way it framed its plan with the federal Centers for Medicare and Medicaid Services, said Patrick Stephan, director of managed care for ODM.

"What we didn't want to do was have to go through the process twice," he said. "Had we not connected this with our integration of behavioral health services into managed care, we would've had to have done it on the fee-for-service side."

Parity means managed care plans will be prevented from having cumbersome prior authorization requirements, limits on service days or other restrictions on mental health services that aren't used on physical health services, Mr. Stephan said.

"At its core, this act requires us to make certain that within Medicaid, and in this case within the managed care plans' administration of the benefit, that we do not have qualitative or quantitative requirements on mental health services that are more stringent than what you would get on the physical side," he said.

Mr. Stephan said the move toward managed care will also help ensure patients' access to mental health services because plans are required to provide that access and can incentivize providers in order to achieve it.

"In the fee for service side, we had very little ability to encourage new providers into the market," he said. "On the managed care side, we have standards that the plans must meet, and if they don't, then they get fined, they get penalized."

Lori Criss, CEO of the Ohio Council of Behavioral Health and Family Services Providers, said parity is key but questioned whether the system has actually achieved the goal.

"Fully implementing and robustly enforcing the Mental Health Parity and Addiction Equity Act of 2008 is critically important to ensure that Ohioans can understand and access the health insurance benefits rightly available to them," she said in a statement. "While we appreciate Ohio Medicaid's compliance report, the analysis appears to lack sufficient detail to support its broad conclusion without review of the underlying assessment documents."

Moving forward, the state will have to ensure parity standards are met, she said.

"The real test will be how well Medicaid promotes transparency and holds the plans accountable for the law's requirements," she said. "The Ohio Parity at 10 Coalition looks forward to working with lawmakers and the administration to raise awareness of the law's benefits to Ohioans, their families and employers."

#### CAUV 'On the Road To Correction' Following Budget Changes, Group Says

Budget language aimed at alleviating increased costs from rising Current Agricultural Use Values are having their intended impact, the Ohio Farmers Union told state officials recently.

The Department of Taxation each year holds a public hearing in June to brief farmers and interest groups on the latest values and to gather feedback on the subject.

In recent years, the meetings have been the site of much angst as some farmers grapple with sharp increases. During the 2014 tax year, the high watermark, increases were seen as high as 400%. (See Gongwer Ohio Report, June 2, 2017)

"We had tremendous increase in the CAUV values going back to 2008," said Ted Finnarn, attorney for the organization. "Because of (the changes), the CAUV values have come down and are heading back down to where they should have been."

But the latest meeting came and went with little fanfare, with the union providing the only testimony and praising the recent changes.

"We're finally on the road to correction," Mr. Finnarn said in an interview. "By the 2020 cycle, the CAUV values will be down so farmers have more reasonable taxes."

Gloria Gardner, assistant administrator for the department, said the statewide average value for cropland came in at \$1,015 per acre for tax year 2018, down about 27% from 2015 values which were \$1,388. The values are updated every three years as counties undergo their appraisal process.

"The values are dropping pretty significantly due to some of the changes that were in House Bill 49 in 2017 and this is the second year of implementing those changes," Ms. Gardner said. "The woodland values are also coming down."

The budget changes, which originated in the Senate, modified the factors to be used in computing the values and placed a ceiling on the taxable value of CAUV land if it is also used for conservation purposes. The changes were phased across two stages over a six year assessment cycle.

"We sort of had a perfect storm - all of these things coming together - and we had extremely high values that were unwarranted and unfair and unprecedented," Mr. Finnarn said. "Now we're on the road to having more reasonable real estate taxes for farmers and woodland owners."

Not all parties were pleased with the budget changes, however. School groups expressed repeated concerns with how the changes might impact their districts, forecasting a 30% reduction in farming property values that would shift the burden onto other property owners.

Barbara Shaner, advocacy specialist for the Ohio Association of School Business Officials, said those fears continue.

"We're still sorting out the results of the most recent information from the tax department but we also think we won't see the full effect for a few more years because not all the counties have undergone their reevaluation," Ms. Shaner said. "We remain concerned and we'll continue to monitor the way it's turning out."

#### Ed Board Expected To Debate, Vote On Third-Grade Reading Benchmark

The State Board of Education is set to vote to increase the Third Grade Reading Guarantee promotion score next weekend at its monthly meeting.

A proposal to raise the benchmark students would need to meet on the Ohio State Test for third grade English and language arts from 672 to 677 was set for a possible vote by the panel's Achievement and Graduation Requirements Committee last month, but it ultimately delayed its decision. (See Gongwer Ohio Report, June 12, 2018)

The committee is once again scheduled to discuss the proposal at its 8:30 a.m. Tuesday meeting, with the full board expected to consider the resolution enacting the change later that day. The resolution is set for consideration as an emergency measure, so it would take effect before the start of the next school year.

The state board is required by law to review the third grade language arts benchmark and adjust it upward annually until it reaches 700, which indicates proficiency, according to a memo sent to committee members late last month by the Department of Education's legal staff.

Despite the requirement that the score increase, the committee balked at recommending the promotion score be set at 677 last month, with multiple members asking for more time to discuss the potential change with local school district officials.

District 4 board member Pat Bruns at the time said she was concerned raising the score could mean districts' improvements at teaching young readers would not be reflected in state report cards, sending a "false message" to community members.

An overview of the issue provided by ODE to the committee states that: "Because of the state law, the education community is expecting to see a modest increase in the promotion score. No one will be surprised by an increase."

ODE also argues the change in the overall language arts score from 672 to 677 corresponds to the smallest possible increase in the reading subscore, from 44 to 45.

"It is possible this change will not increase the number or percent of students who are retained. If there is a reduction in the number of students promoted, we would expect it to be small," the overview states.

At-large board member Laura Kohler, the committee's chairwoman, previously said she supports the plan to increase the benchmark to 677 because administrators and teachers have been preparing for it with increased aid from the state.

"We're looking at a different landscape than we were a couple of year ago with the supports that are in place," she said.

**Subscriber's Note:** The full agenda for the State Board of Education's Monday and Tuesday meeting is available online.

### Rover, FERC Staff Spar Over Land Restoration, Pipeline Operations

Rover Pipeline operators, long at odds with state regulators, are now amping up their frustration with their federal overseers.

In recent missives, Rover Pipeline LCC blasted Federal Energy Regulatory Commission staff for what it considers the commission's failure to authorize full operation of a major section of the controversial project. (See Gongwer Ohio Report, June 1, 2018)

The lack of action on FERC's part has left Rover "more than a little baffled," wrote Rover Senior Vice President Chris Sonneborn. But FERC staff said the delays are prompted by Rover's failure to restore land impacted by the project by a June 30 deadline. The